



Daily Report

China

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Daily Report

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21 December 1990

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Foreign Friendship Association on Accomplishments

OW2112105890 Beijing XINHUA in English
1044 GMT 21 Dec 90

[Text] Beijing, December 21 (XINHUA)—This year witnessed substantial achievements in China's nongovernmental diplomacy, the Chinese People's Association for Friendship With Foreign Countries (CPAFFC) told XINHUA in a recent interview.

According to statistics from CPAFFC, China's largest national people-to-people diplomacy organization, more than 220 delegations and groups from some 40 countries and regions visited China at the CPAFFC's invitation this year.

CPAFFC also sent more than 30 delegations to 33 countries in Asia, Africa, Latin America, Europe and North America.

As a result of CPAFFC's hard work, China established sister-city relations with more than 10 countries this year.

"People need friendship," said a CPAFFC leader, "and friendship is cultivated by mutual understanding and mutual trust. All these exchanges and contacts have greatly promoted understanding and friendship."

Han Xu, the president of CPAFFC, described the characteristics of this year's Chinese nongovernmental diplomacy as follows:

- Among the foreign visitors to China, there were many former high-ranking officials, including the former prime minister, former deputy prime ministers and former ministers from Japan, the former Australian prime minister and the former Peruvian prime minister. There were also many public figures from Western countries.
- Exchanges with Third World countries were dynamic and new channels have been opened.
- Exchanges and cooperation with organizations friendly to China in Europe, North America and Oceania were restored and further developed.
- Various artistic performances and exhibition exchanges were held.
- More sister-city relations were established.

In addition, CPAFFC President Han headed a delegation to visit Cyprus, Tunisia, Libya and Algeria this year. According to CPAFFC, this was the first CPAFFC delegation to such a vast number of Asian and African countries to be headed by its president since 1978.

This year, CPAFFC also established official ties with the promotion foundation of Turkey, resumed its contacts, which had been suspended for more than 20 years, with

the Egyptian Committee for Afro-Asian Solidarity, and resumed its relations, which had been suspended since 1978, with the Laotian World Peace and International Solidarity and Friendship Committee.

Over 150 guests from Latin American countries have visited China this year, marking the largest number CPAFFC has received from the region in recent years. The youth delegation of 40 middle school students from Bolivia was the first exchange between the two countries' associations for friendship with foreign countries since the two countries established diplomatic relations five years ago.

Regarding Sino-Japanese nongovernmental contacts, a CPAFFC leader said that they were characterized by more Japanese political figures visiting China, larger delegations exchanged between mass organizations, and the increasing number of people from wider circles participating in exchanges with China.

The CPAFFC official said visitors held that their tour of China have promoted mutual understanding and helped confirm their faith in Japanese-Chinese friendship from generation to generation. He noted that Sino-Japanese people-to-people diplomacy has pushed relations between the two countries toward normalization.

Progress has also been made in nongovernmental contacts between China and the Soviet Union and between China and Eastern European countries, according to CPAFFC. The Union of Societies for Friendship and Cultural Relations with foreign countries and the Soviet-Chinese Friendship Society have enhanced their understanding of China through their respective tours of the country, CPAFFC said.

According to the Chinese delegations that returned from the Soviet Union, Poland, Hungary, Bulgaria and Romania, people of these countries share friendly feelings toward China and have a strong desire to develop friendly contacts with the country. Some regions within these countries are considering the possibility of forming new friendship organizations with China.

Han Xu expressed his belief that the tradition of friendship between the Chinese people and the people of these countries would be maintained and further developed.

Founded in 1954, CPAFFC now has nongovernmental contacts with 140 countries and established friendly cooperation or ties with more than 100 foreign friendship organizations in more than 80 countries.

According to CPAFFC, in the past year, the Chinese people have made more friends through various channels and have promoted mutual understanding and friendship between themselves and the other peoples of the world.

UNICEF Office Releases Children's Report*OW1912114090 Beijing XINHUA in English
1055 GMT 19 Dec 90*

[Text] Beijing, December 19 (XINHUA)—A Chinese version of the 1991 State of the World's Children Report, prepared by the United Nations Children's Fund (UNICEF), was launched here today.

At a press conference called by the UNICEF China office, its Deputy Representative James Mohan said that the report recorded such major events in the past year as the World Summit for Children, the adoption of the U.N. Convention on the Rights of the Child and the World Conference on Education for All.

He said that UNICEF in China has attempted to identify 10 major goals for the children of China in the 1990s which, he added, will serve the three broad national goals of improved outcome of pregnancy, improved care and upbringing of young children and improved education of children.

Other speakers at the conference were Chen Minzhang, Chinese minister of Public Health; Gu Yongjiang, vice-minister of Foreign Economic Relations and Trade; Liu Bin, vice-minister of the State Education Commission; and Wang Shuxian, member of the Secretariat of the All-China Women's Federation. While hailing China's big progress in improving children's welfare, they also noted that the indicators of child development in poorer areas are still far behind the national average level because of the unbalanced economic and social development. They expressed the hope for continued cooperation with UNICEF.

United States & Canada**Vice Foreign Minister Meets Canadian Speakers***OW2112101290 Beijing XINHUA Domestic Service
in Chinese 0235 GMT 20 Dec 90*

[Text] Ottawa, 20 Dec (XINHUA)—Fraser and Charbonneau, respectively speakers of the Canadian House of Commons and Senate, separately met with Liu Huaqiu, the visiting PRC vice foreign minister on the morning of 20 December.

During the meeting, Fraser said that he was happy with the restoration of mutual visits between senior officials of Canada and China. He pointed out that it is very important for Canada and China to establish close and strong friendly cooperative relations, and that he will, as in the past, continue to promote the friendly relationship between the two countries.

During the talks, Charbonneau also said that he was delighted at the restoration and development of friendly relations, particularly the smooth development of economic and trade relations, between Canada and China.

He is confident that economic cooperation and trade activities between the two countries will constantly develop.

Both speakers said that they will promote parliamentary exchanges and cooperation between the two countries.

Liu Huaqiu praised the Canadian Government and parliament for taking positive steps to improve the relations between the two countries. He pointed out that as China and Canada have common interests in many important fields, he is confident that the friendly and cooperative relations between the two countries will be restored and developed.

Liu Huaqiu, who arrived in Ottawa on 17 December, is on an official visit to Canada at the invitation of (Marsan), permanent vice minister of the Canadian Ministry of External Relations.

Soviet Union**Editorial on Shevardnadze's Abrupt Resignation***HK2112033990 Hong Kong WEN WEI PO in Chinese
21 Dec 90 p 2*

[Editorial: "Showdown in the Soviet Union"]

[Text] Shevardnadze, Gorbachev's close aide and Soviet foreign minister, abruptly announced his resignation yesterday. Not long ago, Gorbachev had contemplated promoting him to either vice president or premier in order to help him enforce more centralized administrative powers. Unexpectedly, Shevardnadze chose to respond by resigning and parting ways with him.

Shevardnadze's announcement of his resignation at the Congress of People's Deputies, without first informing and consulting with Gorbachev, appears to be a sudden attack on Gorbachev. And Gorbachev himself is facing a very difficult period and has yet to find a good way to stabilize a situation where the country suffers from food shortages, the economy is on the brink of collapse, and ethnic divisions and upheavals continue unabated. With such a tumultuous autumn, it is necessary that the core leadership strengthen unity and confront the hardships with one heart and mind. Unfortunately, this is not the case as a close comrade-in-arms not only failed to sympathize with Gorbachev's domestic and foreign woes, but instead chose to attack him directly for "his tendency toward a dictatorship", plunging Gorbachev immediately into a besieged situation.

Gorbachev was furious and openly criticized Shevardnadze, saying that he should not have resigned at this most difficult time and that he has the responsibility to stay behind to pick up the pieces. His statement is not without reason. Shevardnadze was a central figure who had a part in inspiring the tremendous changes in Eastern Europe and in boosting radical reforms in the Soviet Union; how can he not shoulder the burden now that things have developed to this stage?

At any rate, the die is cast and Shevardnadze's decision is a final one. Neither the president nor the Congress of People's Deputies has the binding power to amend his decision to resign.

Shevardnadze's resignation reflects a possible political confrontation within the higher echelons of power in the Soviet Union in the next few days, something that outsiders have no knowledge of. Moreover, a deep division can already be seen based on the political news. It is manifested in the following: 1) Gorbachev wants to increase presidential powers in order to control the current situation and check the further deterioration of the political and economic crises. But Yeltsin, Shevardnadze, and others have denounced him before the Congress of People's Deputies for attempting to move toward a dictatorship. 2) Gorbachev is using people from the military and KGB networks in order to reinforce law enforcement and is attempting to allow some anti-reform personalities assume power in the future cabinet. But the radical reformists are determined to force a showdown and press Gorbachev into proceeding according to original plans. 3) In his speech before the Congress of People's Deputies, Gorbachev noted that "grave mistakes committed" in the reforms are the cause of today's situation. But the radicals refused to accept this suggestion. They contended that Gorbachev was treading a middle-of-the-road path. 4) On the issue of the new Union treaty, Gorbachev is inclined toward stronger central powers. But some republics want to increase their own authorities, while Yeltsin himself is inclined toward secession from the central government and going his own way. 5) On the question of transition to a market economy, the radicals favor a rapid transition, while Gorbachev, wanting to smooth things over, has adopted a compromise program and opposes land privatization.

At present, the Soviet Union is in a state of disorder, with contending views at the central level while the local regions no longer obey the central government and each goes its own way. Moreover, production has been thrown into chaos, law and order is on the decline, and ethnic clashes worsening. Gorbachev admitted that if this continues, the favorable environment needed for success of reforms would be lost and it would lead to the disintegration and collapse of the country. Hence, it is necessary to adopt forceful measures to check the situation and the most feasible way is the use of the president's emergency powers. However, the radical reformists believe that once this system is set up, the achievements gained in the democratic reforms would vanish and no one knows when the next dictator would appear.

Shevardnadze's resignation is not unexpected; it is the necessary result of the clash between differing factions, reform measures, and direction. But it remains to be seen whether this open split will endanger Gorbachev's position.

Shevardnadze had established close working relations with the United States and was very much in step with it

on the Persian Gulf issue. During his recent visit to the United States, he requested 11 billion dollars in aid but only received 1 billion dollars, much to the disappointment of the Soviet Union. Now that Shevardnadze has quit his post, will the honeymoon between the United States and the Soviet Union be affected? The developments in the Soviet Union have forced the United States to take a cautious attitude, especially at a crucial time when Bush had announced possible use of force against Iraq.

Shevardnadze's resignation implies that the development of internal events in the Soviet Union has come to a crossroads and that a turning point is likely to materialize in the future. The whole world is closely monitoring the events there. The rapid fall in Western stock markets reflected the uneasiness of the West.

Editorial Views Reform Results in USSR, PRC

HK2112034790 Hong Kong WEN WEI PO in Chinese
13 Dec 90 p 2

[Editorial: "Two Different Outcomes of Reform"]

[Text] China on the one hand and the Soviet Union and Eastern Europe on the other hand are separately experiencing major transformations. Facts will show how these individual transformations will affect history in the future.

As of now, we may affirm one point: The orientation and speed of the two transformations are different, and they yielded different effects on society. Recently, the panic of starvation has struck the Soviet Union. Both Moscow and Leningrad are short of grain. Such a situation has never occurred in the past 45 years. Famine occurred only when the Nazi German army attacked the two cities. Besides these two cities, there is a shortage of daily necessities and non-staple food in all parts of the Soviet Union. The black market is running rampant. The shelves of the state-run shops are empty. The conditions in other East European countries are very much the same. Production and living standards are on the decline. Before the free economy is established, the original economic order has all fallen apart and has sunk into a state of disorder; and even minimum subsistence conditions for the people cannot be guaranteed. In Bulgaria, there is insufficient fuel to pass the winter, electricity is supplied intermittently once every two hours, and food supply has to be rationed. Poland and Czechoslovakia are faced with problems of high inflation, high unemployment, and shortage of non-staple food.

The situation in China is just the opposite. Goods in shops are a feast for the eyes. Grain production this year exceeds 420 billion kg, recording an all-time high. The supply of non-staple food is adequate. People can freely buy all kinds of meat and egg products from the market. Compared with the situation before the reform and opening up, the living standard of the Chinese people has greatly improved.

China's reform and opening up have been carried out for 10 years. In the Soviet Union, since Gorbachev assumed power, perestroika has also been carried out for five years. The difference lies in the fact that China is advancing with firm steps, attaches importance to material production and construction, and gradually carries out political reform on the basis of improving the livelihood of the people. The Soviet Union, however, first carries out large-scale political reform, which is followed by radical reforms in the economic realm and the shift to market economy in 500 days. The radical reforms have, however, also evoked radical reactions. Many Union republics demand independence one after another and even have formulated laws higher than the union constitution. Different ethnic groups contend with one another for natural resources and space for survival, resulting in disputes and conflicts. Such conflicts brought energy production to a standstill and caused suspension of railway traffic and transportation; regular exchanges of goods and grain and ties of production and cooperation between localities and between local and central authorities have also been artificially severed. The previous economic cooperation and barter trade between the Soviet Union and various East European countries have been affected because transactions are now conducted with hard currency and at international prices and these countries are short of foreign exchange. This has caused a sharp drop in the supply of goods and a shortage of fuels and electric power.

The recent food shortage in the Soviet Union is not due to reduced production, but due to problems in transportation and distribution. The old system of state monopoly for purchase and for retail has disintegrated, without being replaced by a new system of circulation. Before 1 July this year, land on collective farms in many places in the Soviet Union had been divided, and 30,000 individual farms established. Each farm had 10.5 hectares of land on average. In Georgia, some individual farms have as much as 30 to 80 hectares of land. Since the individual and collective farms have been given self-determining power, they are not willing to sell grain at the original price. The state can only purchase 75 percent of the grain it planned to buy. Some people have taken advantage of the opportunity to drive up grain prices, and peasants are also worried that the rouble will depreciate if they exchange grain for roubles. The price reform carried out and completed "in one single stride" means a sharp rise in the prices of many commodities. As a result, peasants are even more reluctant to sell their grain and dare not trust the currency. Hence the food shortage in the cities.

The Soviet Union, which has implemented the grain subsidy system and the planned economy for so many years, has accumulated numerous price distortions and imbalances. The abrupt shift to the free market economy will surely result in numerous losses of control. To solve the difficult problems, it is necessary to have an authoritative and efficient government command system and the spirit of consciousness of the people to overcome

difficulties in unity and with one mind. Under the present circumstances, however, the government cannot mobilize the masses, who do not obey the governments' orders; the republics are wrangling with the central government and the local authorities openly show disrespect for the central authorities. Everything is in a mess.

It is understandable that different countries may carry out different reform programs in light of their own national conditions. But a comparison may be drawn from facts. Shortages of grain in the Soviet Union and abundance of grain in China are precisely concrete manifestations of different measures leading to different results. People can judge for themselves which measures are more favorable to the in-depth development of reform and to the enhancement of the people's enthusiasm for reform.

Northeast Asia

Li Ruihuan Meets Japan Cultural Delegation

OW2112080990 Beijing XINHUA in English
0743 GMT 21 Dec 90

[Text] Beijing, December 21 (XINHUA)—Li Ruihuan, Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, met with a delegation of the Japan-China Cultural Exchange Association led by leading composer Dan Ikuma here this morning.

The host and guests discussed cultural exchanges between China and Japan, which Li said is important under the current international situation.

"We have many things to do in this field," Li said, expressing his appreciation for the efforts made by the Japanese association to further enhance the friendly relations of cooperation between the two countries and the two peoples.

Dan Ikuma promised that he would continue to work for the promotion of Japan-China cultural exchange.

Li also briefed the Japanese visitors on China's efforts to carry forward China's traditional culture.

The Japanese visitors arrived here December 19 as guests of the Chinese People's Association for Friendship With Foreign Countries.

Japan's 1990 Diplomatic Efforts Viewed

HK2112064690 Hong Kong TA KUNG PAO in Chinese
17 Dec 90 p 3

["Year-end Review" by Chang Cheng-chien (1728 2052 0467): "A Year in Japan's Pursuit of 'Great Power Diplomacy'"]

[Text] The year 1990 is one that has seen the beginning of Japan's pursuit of great power diplomacy. Taking advantage of the tremendous change in the international

pattern, the Kaifu Cabinet put forward in its policy speech this February, the strategic goal of "actively participating in the construction of a new international order." In various ways it has had a hand in important international affairs, trying hard to achieve a greater say.

Laying Down An Overall Diplomatic Policy

As the national strength of the United States and the Soviet Union, the two superpowers, increasingly deteriorates, and as the international pattern moves from bipolarity toward multipolarity, and from tension toward detente, Japan feels that economic strength now weighs more than military strength in international affairs; it now has the conditions to channel its economic clout into political influence and to alter its status of so far being an "economic giant but a political dwarf." With this feeling Japan has proceeded to establish building a new world order jointly ruled by Japan, the United States, and Europe as its overall diplomatic policy.

To construct such a new order, over the year the Kaifu Cabinet has launched a series of diplomatic moves. First, it adjusted and strengthened its relations with the United States as an ally and, on this basis, strengthened its association with Western Europe. Before his visit to Europe early in the year, Prime Minister Kaifu wrote a letter to U.S. President Bush saying that "a new world order must be formed under a Japan-U.S.-Europe leadership." In March, during his U.S. tour, Kaifu again discussed and concluded with President Bush, the setting up of a new coordinating organization—the conference of the seven Western powers' foreign ministers—under the auspices of Japan, the United States, and Europe, so that at any time there can be political, diplomatic, and even military consultation. With this Japan has not only changed its so far U.S.-centered stance that had belittled its relations with Europe, but, more importantly, linked up the Japan-U.S. union with the forthcoming European Union, placing itself firmly between the two unions on either side of the two oceans, and thus securing for itself an important status in the new international order.

Of the great changes in the international pattern, the turmoil in Eastern Europe has been the most violent, and that area is precisely the most important in the West's attempt to build a new order; and coincidentally, where Japan has paid little attention so far. The leaders in Tokyo are afraid that they might "miss the train." So, they have been unprecedentedly active in the East European issue.

Attack with Planned Focus

Prime Minister Kaifu made a point of unveiling Japan's "new European policy" in Berlin during his European tour, namely, providing active support for East Europe's democratization and aid in its efforts to build a new order, restore private ownership, and develop a free market economy. Kaifu claimed: "Japan will play an important role in the economic as well as political area."

And this important role will "show its effects" specifically in Poland and Hungary and, moreover, Polish and Hungarian "examples" will bring an influence on other East European countries. He said: "Japan will, along with other Western countries, at any time provide active aid for any East European country that has taken as its democratization and a market economy as its goal of reform."

Meanwhile, Japan has actively supported the unification of East and West Germany, actively participated in building a new order throughout Europe, and requested permission to send an observer to the session of the Conference on the Security and Cooperation of Europe [CSCE] due at the end of this year. A Foreign Affairs Ministry official remarked complacently: "We will not agree with a policy of deciding such an important issue as giving support for East Europe without Japan, nor allow Japan to trail behind the event."

Asia has been another important area for Japan's pursuit of its great power diplomacy, and has seen the most intense diplomatic activity. In late April and early May, Prime Minister Kaifu visited Thailand, India, Bangladesh, Pakistan, Sri Lanka, Nepal, and Indonesia. At the same time, the Defense Agency Chief visited Australia, Malaysia, and Thailand; while Foreign Minister Nakayama and Kato, Liberal Democratic Party political coordination committee director, visited South Korea in late April.

The reason why Japan has launched such an intense diplomatic effort, is that it is taking advantage of the opportunity provided by the South-North problem made prominent in the wake of East-West detente. At a time when Europe and the United States are too busy to be concerned about Asia, Japan, as the only first power country in the northern hemisphere of Asia, is positioning itself at the head of the United States and Europe by championing the cause of "South-North" relations. Prime Minister Kaifu made this very clear in his address to the Indian Parliament on 30 April. He said: "The direction of building a new international order with dialogue and coordination should not be confined to East Europe but should be extended to Asia." Thereafter, Japan has been engaged in heart-winning activity in southern Asia and south east Asia with the help of its huge sums of development aid.

The calling of the Tokyo meeting on the Cambodian problem this June, which was promoted by Japan, was part of the great power diplomacy. A Japanese Foreign Affairs Ministry official said that Japan is making contributions to Asia in order to "establish Japan as a representative for Asia," that is, in other words, as a "leader."

Exploiting the Gulf Situation

The men in power in Tokyo believe that the Gulf crisis will provide Japan with a one-in-a-thousand opportunity to break the "off-limits" area for its military.

Japan's ruling clique has long sensed that economic strength alone would be insufficient for Japan to become a political power. Japan has to demonstrate an existence in the military field. However, Article 9 of its constitution, which was designed to prevent the re-emergence of Japanese militarism, is an "off-limits area," which it has never quite overcome. But after the outbreak of the Gulf crisis, the hawk factions in Japan's political and military circles immediately became restless. Under the banner of "making a contribution to resolving the Gulf crisis in accordance with the U.N. resolution," they secretly tried to force the Diet to pass the so-called "peaceful cooperation act," in the hope of—by legalizing its dispatch of troops overseas and protected as it was by the act—achieving the goal of "sending troops abroad without revising the constitution." The suggestion by Xiao Ze [1420 3419], Executive Director of the Liberal Democratic Party, confirms this point. He said: "The Self-Defense Force can send troops to the Middle East even under the current constitution." Reports revealed that under this policy, the Defense Agency had secretly drawn up a plan for the troop dispatch. The plan laid particular stress on the Self-Defense Force maintaining command in its own hands.

Under strong pressure from media opinion, and opposition both inside and outside of Japan, the "peaceful cooperation act" did not get passed in the Diet. The hawk faction's plot was frustrated. However, boosting military strength to make it a back up for the great power diplomacy is an established policy. If the Gulf situation worsens, or if war breaks out there, it is expected that the Japanese ruling group will table another bill on sending troops overseas.

We Must Maintain An Extraordinarily High Vigilance

A significant number of people within the Japanese ruling group believe that the *ya er pei* [7161 1422 1014] system taking shape following World War II has hamstrung Japan's development into a political and military power. Japan's proposition to build a new international order, its active involvement in East Europe, attempts to become Asia's leader, and the shoving aside of the constitution in conspiring to dispatch troops overseas, and so on, have all served to expedite the dismantling of the *ya er pei* system. It would not be difficult to glimpse the vindictive mood of Japan. But this only makes it necessary to maintain an extraordinarily high vigilance.

Southeast Asia & Pacific

Speeches Given at Banquet Hosted by Lao's Kaysone

Kaysone Welcomes Visit

*HK2012134790 Beijing RENMIN RIBAO in Chinese
17 Dec 90 p 6*

[XINHUA report: "Chairman Kaysone Speaks at Banquet He Hosts To Welcome Li Peng, Says Friendly

Relations and Cooperation Between Laos and China Enter New Stage of Development"]

[Text] Vientiane, 15 Dec (XINHUA)—Kaysone Phommavihan, chairman of the Council of Ministers of Laos, delivered a speech at the banquet given in honor of Premier Li Peng.

He said: Today, the government of the Lao People's Democratic Republic and people of all nationalities of Laos are here to accord a reception to Premier Comrade Li Peng and his party. We feel very happy and honored that your visit has brought warm and sincere friendship, traditional unity, and strong support to the Lao Government and people of all nationalities of Laos. "We hold that the first visit by a high-ranking leader of the People's Republic of China is of historic significance. The visit not only marks the beginning of a new stage in the development of friendly relations and all-around cooperation between China and Laos, but will also enhance the friendly relations and traditional mutual assistance between the two peoples of Laos and China, and bring about a constant development in the multiform and multilayered cooperation between the two sides which will, like the Mekong River, keep bringing happiness and prosperity to the two countries. At the same time, the visit will also make extremely important contributions to the peace, stability, friendship, and cooperation in the region."

Chairman Kaysone said: "We are very happy to see that under the strong leadership of the Communist Party of China, the PRC, as a socialist power, has scored tremendous achievements in the course of implementing the policy of economic reform and opening to the outside world, which is formulated by Comrade Deng Xiaoping. These achievements have not only laid down the foundation for safeguarding and developing the achievements in China's socialist revolution, and for realizing modernization and national prosperity; but also made great contributions to bringing about peace and social progress in the region as well as the world."

He said: "We are also happy to see that since last year's official goodwill visit to China by the Lao Government delegation which I headed, the friendly relations between the peoples of Laos and China have been further strengthened, with rapid progress and concrete achievements scored in the various aspects of cooperation between the two countries. Through the concerted efforts, and mutual understanding and sincerity of the two sides, these achievements have, like a luxuriant fruit tree which is blooming and bearing fruit, added a glorious chapter to the long-standing friendship and unity of the two peoples. The aforementioned achievements have become an important factor in the Lao people's effort to carry out the cause of safeguarding and building their motherland.

"In our opinion, proceeding from our country's actual social and economic situation, and the concrete achievements and experience gained in the course of safeguarding and building our new system under the leadership of the Lao People's Revolutionary Party over the past 15 years, the appropriate pace for the Lao revolution at the current stage as well as in the future is to continue building up and developing the people's democratic system, and create various conditions for gradually entering socialism. To attain this goal, under the present complicated international situation, Laos will, as always, pursue an independent foreign policy for peace and social progress, and continue to extend international cooperation on the basis of equality and mutual benefit to facilitate the internal cause of reform and development, and make contributions to the peace, stability, friendship, and cooperation in the region as well as the world."

Lastly, Chairman Kaysone said: "At this moment of great significance, on behalf of the Lao party, government, and people of all nationalities, I wish to express my profound and heartfelt thanks to the CPC, the Chinese Government, and people who have persistently offered valuable support to the Lao revolutionary cause."

Li Peng Speaks

HK2012122590 Beijing RENMIN RIBAO in Chinese
17 Dec 90 p 6

[XINHUA report: "Li Peng Speaks at Welcoming Banquet Hosted by Chairman Kaysone, Hopes for Further Development of Friendly and Cooperative Relations Between China and Laos"]

[Text] Vientiane, 15 Dec (XINHUA)—Chinese Premier Li Peng gave a speech tonight at the welcoming banquet given in his honor by Kaysone Phomvihane, chairman of the Council of Ministers of Laos.

Premier Li said: "I am very happy that I came to pay an official goodwill visit to the country at the invitation of Comrade Chairman Kaysone Phomvihane not long after the people of Laos celebrated the 15th anniversary of the founding of their country, a glorious festival for the nation. Although it is my first visit to Laos, I feel very comfortable. As soon as we set foot on the soil of Laos, we were accorded a warm and grand welcome and reception by the leaders and people of Laos, which shows the profound friendship cherished by the Lao people toward the Chinese people. What is more, Chairman Kaysone Phomvihane is hosting such a grand and cordial banquet tonight and has delivered a warm and friendly speech. Allow me to express my heartfelt thanks to Chairman Kaysone Phomvihane and his wife, the Lao Government, and the fraternal people of Laos on behalf of the Chinese Government and people, and in the name of my wife and myself."

He said: "Laos is a picturesque country with abundant natural resources; and the Lao people are industrious,

honest, modest, and courteous. In the past, under the leadership of the Lao People's Revolutionary Party, the Lao people carried out a protracted struggle to strive for national independence and liberation. Today, they spare no effort in the cause of economic construction and reform and have scored remarkable achievements. In recent years, the people's livelihood of your country has seen further improvement as a result of the increased grain output, improved industrial production, and brisk market. We wholeheartedly wish the Lao people new and greater achievements in the cause of economic construction and reform."

Premier Li Peng said: "China and Laos are friendly neighbors linked by common mountains and rivers. Since ancient times, the people of both countries have been living in harmony; and now during the protracted struggle against imperialism and colonialism, and in the cause of economic construction, they have also built up a profound friendship between themselves through mutual assistance and support. Chairman Kaysone Phomvihane's successful visit to China last year has facilitated the resumption and development of this friendship. Over the past year and more, the two sides have carried out extensive exchanges and cooperation, and achieved satisfying results in various fields such as politics, economy, culture, and sports. The Chinese Government and people have always treasured the good-neighborly relations between China and Laos as well as the traditional friendship between the two peoples. We hope and believe that our current visit will further enhance our mutual understanding and trust and bring about a further development in the friendly cooperative relations between the two countries."

He said: "At present, the international situation is undergoing a great change. On the one hand, it is favorable to world peace that the alleviated relationship and the weakened military confrontation between the East and the West have brought about resolutions to some hot issues in certain areas; on the other hand, the world setup is at a time when the new replaces the old. The old setup is being abandoned while the new one has not yet taken shape, and the situation in some regions is still very unstable. Facing the current international situation, the Chinese Government and people are willing to work with all peace-loving countries and people throughout the world in a concerted effort to make the international situation continue to develop in a direction favorable to peace and stability."

Premier Li Peng emphasized: "China is currently devoting itself to building socialism with Chinese characteristics. We will unswervingly center on economic construction, adhere to the four cardinal principles, carry out the policy of reform and opening up, and strive to attain our strategic goal of bringing about economic development at the end of this century and in the first half of the next century. We should not only maintain long-term internal stability and unity, but also need a peaceful and stable international environment. We are willing to expand our relations with all countries in the

world on the basis of the five principles of peaceful coexistence. We also hope to strengthen the good-neighborly relations with our peripheral countries. We are happy to see that there has been great improvement in our relations with various ASEAN countries this year. We also hope to gradually improve our relations with the Indochinese countries. Currently, the Sino-Lao relations are developing smoothly. Following an overall, just, and reasonable political settlement of the Cambodian question, relations between China and Vietnam will also undergo a gradual improvement. It is our hope that Southeast Asia will become a region with real peace, stability, and prosperity; and will make its contributions to the peace and development of Asia and the world.

Near East & South Asia

Further on Li Peng's Visit to Sri Lanka

Premadasa Honors Li Peng

HK2112120490 Beijing RENMIN RIBAO in Chinese
19 Dec 90 p 6

[XINHUA report: "Sri Lanka's President Premadasa Speaks at Banquet in Honor of Li Peng"]

[Text] Colombo, 17 Dec (XINHUA)—Sri Lankan President Ranasinghe Premadasa spoke at a banquet in honor of Li Peng this evening.

He said: "It is with extreme pleasure that I welcome you, your wife and the distinguished PRC delegation to Sri Lanka."

"Our two countries enjoy a long-standing tradition of friendship. It is deeply embedded in our age-old histories, has endured countless centuries and is currently developing in the midst of cooperation. This kind of cooperation has brought peace and prosperity to our people."

The president stated: "Our common history has recorded this fact: The monks and priests of Sri Lanka helped set up the Buddhist nunnery system in China; and the Chinese monk Fa Xian studied for two years in a Sri Lankan monastery during the fifth century. Historical records also show that our two countries had firm commercial and cultural links way back in the early days."

"Our friendship has continued to grow, thanks to numerous official exchanges. Mr. Premadasa and I were fortunate enough to visit your country in August 1978. We made a second visit in 1988. During our visits, we personally witnessed the remarkable achievements of the Chinese people. The accomplishments of your economic reforms and the tremendous uplifting of your people's lives deeply impressed as well as encouraged us."

He said: "Today, we are entering the last decade of the 20th century. Global changes with far-reaching effects

are taking place. We have no doubt that the PRC will play an even more influential role in the new world order that is about to appear."

He added: "There are vast differences in the size, population and might of Sri Lanka and China. In spite of these, we have established relations without parallel. They are founded on the principle of the equal sovereign rights of states and on the basis of trust, confidence and mutual respect. China's greatness lies not merely in its size. To us, China's greatness lies in its ability to conduct its relations with small countries such as ours on the basis of friendship and equality. The exemplary relations between our two countries have enabled us to carry out friendly cooperation in certain areas."

"The PRC was founded in October 1949. A few months later, Sri Lanka recognized this new state. Ignoring attempts to inject power politics into trade relations, our governments concluded a rice-rubber accord in 1952. This historic, pioneering agreement was mutually beneficial and opened the door for more and closer cooperation between our two countries in various domains. We look forward to the expansion and deepening of our relations, especially in the field of economic cooperation."

"China has always been generous in its economic assistance to Sri Lanka, and the people of Sri Lanka have benefited greatly from your support. The Golden River flood control project in southern Sri Lanka has converted hundreds of thousands of acres of land into fertile soil. Sino-Sri Lankan cooperation has improved the lives of many Sri Lankans. Our collaboration has been in diverse fields: food production, agriculture, hydroelectric power, textile manufacture, development of water resources as well as the restoration and development of religious and cultural sites. We have benefited enormously from this fruitful cooperation."

Premadasa said: "In Colombo, you have built for us the Bandaranaike Memorial International Conference Hall, where the fifth nonaligned nations summit will be held soon and which it will become the center of international dialogue and discussion. The superior courts complex is another gift to us from China. These two big buildings are lasting monuments to our friendship."

He stated: "On international affairs, we both abide by the principles outlined by the United Nations Charter. We note with admiration China's principled conduct in playing its role as a permanent member of the Security Council. We share a common stand on the peaceful settlement of disputes. We advocate the non-use of force and noninterference in the internal affairs of other countries. These principles are based on the tenets of the Panchsila (five principles), which have consistently guided the foreign policies of both China and Sri Lanka. Adopted by the nonaligned movement, these principles are widely adaptable and will be very significant in dealing with the current Gulf situation."

"We welcome the various efforts being carried out with a view to a dialogue with Iraq. China has played a remarkable role during this process. This could avert a catastrophic and tragic military confrontation and contribute to a consensus for peace."

He said: "In Sri Lanka, we have made sincere efforts to achieve unanimity of opinion through consultation and compromise. Even though a small handful of people has turned to terrorism and undemocratic means and has launched unprecedented violent actions in order to achieve its ends, we continue to maintain this attitude. And we will continue to patiently abide by this option. Our success will enable our people to live in a prosperous, safe and united Sri Lanka. To accomplish this goal, we need the understanding and support of all our friends."

Finally, President Premadasa said: "In particular, we would like to thank the PRC for its years of support for us. The visit of Your Excellency will strengthen and consolidate this friendship. Mr. Premier, your government and people are the true friends of Sri Lanka."

Li Addresses Banquet

HK2112124490 Beijing RENMIN RIBAO in Chinese
19 Dec 90 p 6

[XINHUA article: "Premier Li Peng Speaks at Banquet Hosted by Sri Lankan President Premadasa"]

[Text] Colombo, 17 Dec (XINHUA)—Chinese Premier Li Peng spoke at a banquet hosted in his honor by Sri Lankan President Premadasa this evening.

He stated: "Two years ago, I had the pleasure of making the acquaintance of Your Excellency in Beijing. Today, we meet again very cordially in Colombo. It is with great delight that my colleagues and I visit your beautiful country. This grand banquet hosted this evening by Your Excellency gives us the chance to meet with new and old friends and we are very happy about this. On behalf of the government and people of China and on behalf of myself and my wife, I would like to express our sincerest gratitude to Your Excellency, Mr. President and your wife, Your Excellency the prime minister and his wife, and to the government and people of Sri Lanka."

Premier Li said: "Even though this is my first visit to your country, Sri Lanka is no stranger to me and to the Chinese people. Our people have long admired Sri Lanka's age-old and distinguished culture and its history of unrelenting struggles. The people of Sri Lanka are industrious and wise, simple and kind and full of enterprising spirit in their endeavors to build the country and open a new life. Under the leadership of President Premadasa, the government of Sri Lanka has firmly defended the independence, sovereignty and territorial integrity of the country, incessantly probed for an economic model and development path adapted to the country's realities, actively strengthened international economic cooperation, striven to revitalize the national

economy, overcome countless difficulties on the road to progress, and has achieved encouraging results. Sri Lanka has consistently pursued an independent and nonaligned foreign policy, adhered strictly to the five principles of peaceful coexistence, and made relentless efforts and valuable contributions to safeguarding peace and promoting cooperation in the South Asian region."

He said: "China and Sri Lanka are friendly countries and the people of the two countries share a deep traditional friendship. When China and Sri Lanka established diplomatic relations in 1957, relations between the two countries entered a new stage of development. Both China and Sri Lanka have always treated each other equally, lived in amity, and sympathized as well as supported each other. Only friendship, and not disputes, exist between our two countries. The relations between China and Sri Lanka have become the model for relations between countries of differing social systems. We believe that under the joint efforts of the two governments and the two peoples, Sino-Sri Lankan friendship will flow endlessly like the Chang Jiang and the Mahaweli River."

He continued: "As a developing country with a population of 1.1 billion, China faces an urgent task to develop the economy and raise the people's material and cultural lives. Reform and opening up is a fundamental state policy of China and this year marks the 12th year of its implementation in China. The reform and opening up has led to rapid growth of the national economy, flourishing development in science, education and culture, and a remarkable improvement in the people's lives. At present, China enjoys political stability, social stability and sustained economic growth. I believe that China's stability and development will not only benefit the people of China but also contribute to peace in Asia and the world."

Finally, Premier Li Peng said: "Friends, peace and development is an issue of common concern to all peoples of the world. Even though some positive changes have taken place in the current international situation, the world is still not very peaceful. Hegemonism and power politics continue to exist, political, economic and national contradictions remain prominent, and tension and turmoil have even appeared in certain regions. South Asia is a close neighbor of China's and its people enjoy broad exchanges and contacts with the people of China. We sincerely congratulate the South Asian Association for Regional Cooperation on the successful convocation of its fifth summit meeting, and hope that all the countries in South Asia will live in amity on the basis of the five principles of peaceful coexistence and seek common progress so as to make South Asia a region of peace, stability and development. The government and people of China will continue to pursue an independent foreign policy of self-reliance and peace and are willing to join Sri Lanka and all peace-loving countries and peoples of the world in a concerted effort to promote peace and development in the world."

Leaders Welcome Li's Return

OW2112085090 Beijing XINHUA in English
0838 GMT 21 Dec 90

[Text] Beijing, December 21 (XINHUA)—Chinese Premier Li Peng arrived in Beijing from Haikou, capital of Hainan Province, this afternoon after his official goodwill visit to the four Asian nations of Malaysia, the Philippines, Laos and Sri Lanka.

Among those greeting Li Peng at the airport were General Secretary of the Central Committee of the Chinese Communist Party Jiang Zemin, Vice-Premiers Yao Yilin and Wu Xueqian, Vice-Chairman of the Standing Committee of the National People's Congress Peng Chong and diplomatic envoys of the four host countries.

Li Peng's wife Zhu Lin, Foreign Minister Qian Qichen, Minister in Charge of the State Commission for Restructuring the Economy Chen Jinhua, Vice-Minister of Foreign Economic Relations and Trade Li Lanqing and Vice-Minister of Public Security Tao Siju, who had accompanied the premier during the visit, were also back here.

Journal Reviews Gulf Crisis Choices

HK1812084390 Beijing SHIJIE ZHISHI in Chinese
No 22, 16 Nov 90 pp 4-5

[Article by Ke Si (2683 2448) written 1 November: "The Room for Maneuver Is Narrowing"]

[Text] After a three-month complicated confrontation, the choice between war or peace in the present Gulf crisis has become more critical.

The United States Is Making Preparations for War, the Factors for War Are Increasing

After fulfilling its "Desert Shield" program in mid-October, the United States continued its offensive military deployment. So far, over 210,000 troops from the three services of the U.S. Armed Forces have been sent to the Gulf region: Six divisions, four brigades, and some special ground forces corps, totaling about 100,000 troops; another three divisions, four brigades, and some reinforcement units from the Marines, comprising 45,000 personnel; over 30 squadrons, 400 fighter planes, and 30,000 Air Force personnel; and 80 vessels, including three aircraft carriers, 200 shipborne aircraft, and 40,000 officers and men from the Navy.

Britain dispatched one armored brigade comprising 7,000 personnel to Saudi Arabia by the end of October and has deployed 15,000 troops, 60 fighter planes, and a dozen or so vessels in the Gulf region.

France has also sent reinforcement soldiers to the Gulf region. Troops sent from its three services amount to 13,000, with 30 fighter planes and about 10 naval vessels.

There are more than 30,000 troops, 200 fighter planes, and 60 naval vessels from 11 nations including Britain, France, Italy, and Spain.

Additionally deployed in the Gulf region are also troops from the Arab joint forces comprising Egypt, Syria, and Morocco, totaling 54,000; troops from the Islamic forces formed by Pakistan and Bangladesh, totaling 7,000; quick deployment troops from the six nation Gulf Cooperative Council, totaling 10,000; and troops deployed by Saudi Arabia itself, totaling 65,000. These all total 140,000.

These 20-odd nations have thus amassed some 400,000 troops in the Gulf region, basically equivalent to the 430,000 Iraqi troops stationed in southern Iraq and Kuwait but absolutely superior to the latter in technology, equipment, as well as naval and air forces. These troops have adjusted their deployments, built fortifications, conducted military exercises, basically completed their war preparations, and are therefore capable of launching large-scale offensives. This has greatly enhanced the U.S. choice for military action.

U.S. Secretary of State Baker recently disclosed that it was quite possible for the United States to dispatch another 100,000 troops to Saudi Arabia. In addition, the United States will, as required by the battlefield commanding officer, use two or three heavily armored divisions to replace the 82d Airborne Division stationed in Saudi Arabia. On 3 October, President Bush discussed with leaders of Congress the possibility of taking military action in the Gulf. In the meantime, the U.S. Marines also carried out amphibious combat exercises for 10 days.

As the dark clouds of war were becoming thicker, Iraqi President Saddam Husayn opened a meeting of the Iraqi Armed Forces Joint Command to put Iraqi troops on full alert and to announce that they would wage "urban warfare" in Kuwait.

Iraq Has Issued Concession Signals and Mediation Activities Are Increasing

Because the United States and Britain are increasing their military pressure and international economic sanctions are mounting, Iraq has found itself in a difficult situation. Its economy is seriously damaged, its oil exports have almost come to a standstill, some of its factories have reduced their production or closed down, daily necessities have fallen into seriously short supply, commodity prices are soaring, and the people's resentment is rising. To alleviate its economic difficulties and prevent U.S. military attacks, Iraq recently indicated that it agreed to make concessions for the sake of finding a political solution to the Gulf crisis. First, Soviet special envoy Polimakov hurried to Iraq for talks with Saddam; subsequently, news spread from Moscow that Iraq was willing to withdraw its troops from the larger part of Kuwait in exchange for the withdrawal of foreign troops from Saudi Arabia; later Jordanian King Husayn held secret negotiations with Saddam; then it was rumored

that Iraq would withdraw its troops from Kuwait as long as it could secure possession of the two Kuwaiti islands of Bubiyan and Al Warbah and the Rumaila Oil Field on the Iraq-Kuwait border. While Iraq was "refuting these rumors," people in Baghdad were gossiping that in his dream Saddam was instructed by the prophet Muhammad to withdraw from Kuwait.

Comments overseas pointed out that Iraq's purpose in spreading the news of its willingness to withdraw from Kuwait is to probe the response abroad and create public opinion indicating Iraq's "intentions for peace." According to a French television report, in a letter to Mitterrand, Saddam expressed his willingness to discuss ways for a solution to the Middle East and Gulf crises, saying: "You will discover that Iraq will make a positive response to the international community for a fair and peaceful settlement program." In a speech on 27 October, U.S. President Bush pointed out that Saddam was reconsidering the situation facing him. On the same day, Soviet President Gorbachev said there were signs indicating relaxation of the Iraqi leaders' hardline attitude toward the Gulf crisis. Soon after this, Soviet special envoy Polimakov made shuttle visits to Iraq, the United States, West Europe, and the Arab states; French Foreign Minister Dumas and British Foreign Secretary Hurd visited the Middle East on separate occasions; Egyptian President Mubarak and PLO Chairman 'Arafat toured some Gulf nations; former British Prime Minister Heath and (Mansure) [man su er 2581 5685 1422], president of the U.S.-Iraq Friendship Fund, went to Iraq; it was said that former French Foreign Minister Cheysson held secret talks with Iraqi Foreign Minister 'Aziz; and former Japanese Prime Minister Nakasone also went to Iraq. These mediation activities resulted in the release of all French hostages numbering almost 300, 14 American hostages, and 33 British hostages. Saddam also promised to release Soviet hostages. These activities enabled the relevant countries to exchange ideas for a peaceful settlement of the Gulf crisis. For a time, the factors for peace talks were increasing.

There Is a Delicate Change in the Stand by Some Countries; the United States Is Facing a Sticky Choice

As the Gulf crisis remains unresolved, Iraq is once again conducting a "peace offensive" and this has led to a delicate change in the stand by some countries.

In a speech on 21 October, Saudi Defense Minister Sultan said: "Saudi Arabia does not see any harm in an Arab nation presenting another asister Arab nation with land or a site on the sea. The Arab states are willing to deliver to Iraq all the rights belonging to it." Foreign reports pointed out "this was the most conciliatory speech" made by a top Saudi Arabian leader since the outbreak of the Gulf crisis. "It forms a striking contrast to previous strong Saudi criticism of Iraq" and suggests that Saudi Arabia "agrees in carving out some Kuwaiti territory for Iraq under certain conditions." While welcoming Egyptian President Mubarak's visit on 22 October, Saudi Arabia's King Fahd said: "If President

Saddam seriously reconsiders this matter, he will discover that withdrawing troops from Kuwait will correspond with Iraq's interests, his own interests, and the interests of the entire Arab world." He added: "I do not think this will cause disgrace to Saddam." Foreign comments pointed out that these remarks "coincided" with Prince Sultan's and the "basic tune is conciliatory." This added to the hopes for a peaceful settlement of the Gulf crisis. On the very same day the raw oil price in the international market dropped by five U.S. dollars, the biggest oil price decrease in history.

The Soviet Union and France are close in their stand on resolving the Gulf crisis. Leaders of the two countries have held frequent contacts to coordinate their action. The Soviet and French foreign ministers met in Vienna on 18 October. Gorbachev went to France on 28 October to consult with Mitterrand. Both sides expressed a determination to "strengthen coordination and take a consensus policy" in handling international crises. Gorbachev said "it is unacceptable to resolve the Gulf crisis by military means" and suggested a meeting of Arab states for a settlement of the Gulf crisis.

The United States more or less felt uneasy about the Saudi Arabian leaders' remarks, Soviet and French moves, as well as civilian organizations' contacts with Iraq for the release of hostages. The United States is worried that an "appeasement policy" will encourage Saddam's aggressive arrogance and undermine the international united front against Iraq. To express the determination of the United States, President Bush and Secretary of State Baker reiterated on 29 October that the "use of force will not be ruled out" while, on the other hand, stressing that the "patience of the international community is limited" and "Saddam should not be allowed to benefit from aggression." On 29 October, the United States and Britain made the UN Security Council pass Resolution No. 674 demanding compensation from Iraq for any losses in case war breaks out and its respect for diplomatic immunity. This is imposing pressure on Iraq.

In addition, demonstrations took place in 19 U.S. cities protesting against U.S. involvement in the Gulf crisis. A recent public opinion poll suggested that U.S. civilian support for Bush's Gulf policy had dropped by 14 percent. Some U.S. officers and soldiers stationed in Saudi Arabia complained that life was boring and hard and expressed their perplexity about the purpose of war. Their conflicts with local Arabs are intensifying, therefore they wish to go home earlier.

Foreign comments pointed out this no-war-no-peace situation has posed many sticky domestic and international problems for the United States and is therefore forcing President Bush to make an early decision on whether to fight or compromise.

Israeli Visa Officials Plan Beijing Trip*HK2112032190 Hong Kong SOUTH CHINA MORNING POST in English 21 Dec 90 p 10*

[By Yehonathan Tommer in Jerusalem]

[Text] Three Israeli diplomats, led by a former ambassador at The Hague, Mr Ze'ev Suffot, are on their way to Beijing where they will advise the head of the Israel Academic Centre on consular aspects of a newly concluded visa agreement between China and Israel, which comes into force this week.

Official sources in Jerusalem have not denied the report, which appeared in the Hebrew language daily, the afternoon MA'ARIV.

No details of the visa agreement have been made available.

However, a Foreign Ministry spokesman told the SOUTH CHINA MORNING POST the Israeli diplomats were being sent to Beijing to help in various, unspecified ways to reduce the workload which had been mounting at the Academic Centre.

Set up in Beijing early this year, the Academic Centre is considered Israel's quasi-official representative office in China.

Ways were also being considered, the spokesman added, of improving relations with representatives of the China International Travel Service (CITS) in Tel Aviv.

The CITS has been operating a bureau in Israel since June 1989.

Meanwhile, official economic ties between the two countries are quietly growing.

Last week a 14-member delegation of representatives of major Israeli companies in the fields of high technology and agriculture arrived in Beijing, led by the chairman of the Israel-Asia Chamber of Commerce Mr Avraham Blass.

The Israeli visit, which is the first of its kind to China, was organised jointly with Copeco, a Hong Kong registered trading company.

Tourism Protocol Signed With Egypt*OW2012122390 Beijing XINHUA in English 1212 GMT 20 Dec 90*

[By Jiang Yaping]

[Text] Cairo, December 20 (XINHUA)—Egypt and China signed today a protocol on cooperation in tourism for 1991-92.

The protocol was signed by Fu'ad Sultan, minister of tourism and civil aviation of Egypt and Liu Yi, chairman of the National Tourism Administration of China.

Following the signing ceremony, Sultan told XINHUA that the protocol was the first step to improve liaison in tourism between the two countries.

"Through cooperation, including exchange of experience and personnel training, we can also strengthen trade and economic relations between Egypt and China," the Egyptian minister added.

The protocol obliges China and Egypt to share information and experience and exchange materials and study groups. It envisages use of each other's schools of tourism and tourist facilities for mutual help in personnel training.

Each country will encourage tourists from third countries to extend their travels to the other and joint promotion campaigns will be launched to attract tourists for both.

Liu Yi, heading a delegation of his administration, arrived here Friday for a week-long official visit at the invitation of the Egyptian tourism minister.

Agricultural Delegation Ends India Study Tour*OW1612102390 Beijing XINHUA in English 0904 GMT 16 Dec 90*

[Text] New Delhi, December 16 (XINHUA)—A high-level Chinese agricultural delegation today wound up its 16-day study tour of India's rural development programs.

The 15-member delegation, including two vice provincial governors from Sichuan and Henan and an official from the State Council, has focused its attention on India's experience on the economic uplift of the rural poor, delegation spokesman Zhao Wenxin said.

Indian Deputy Prime Minister and Agricultural Minister Devi Lal was quoted as saying, when meeting the Chinese delegation on December 3, that India and China have broad prospects for agricultural cooperation in view of their similarity in having a huge population, large area, and a developing agricultural economy.

Zhao noted that the Indian side showed great interests when informed on China's family planning program, the household responsibility system in agricultural sector, and diversified rural economy, especially small rural industries.

The delegation, led by Executive Vice-Governor of Sichuan Province Xie Shijie, also include agricultural officials from Henan, Shandong and Anhui Provinces.

During their stay in India, they toured New Delhi, as well as Anhra Pradesh, Tamila Nadu and West Bengal States, and held discussions with high-ranking agricultural officials and local administration chiefs.

West Europe

'Roundup' Views Work of German Coalition

OW2112083090 Beijing XINHUA in English
0821 GMT 21 Dec 90

["Roundup: German Coalition Negotiators To Crack Harder Nuts Later (By Hu Yongzhen)"]—XINHUA headline]

[Text] Bonn, December 20 (XINHUA)—Almost three weeks after winning a landslide victory in the all-German elections, the ruling coalition parties are still at loggerheads with each other over a future government policy and the line-up of a new cabinet.

In sharp contrast to the coalition negotiations four years ago, the current negotiations have rarely seen any marathon talks or heated wrangles. Instead, the atmosphere has been said to be "calm" and "constructive," as many participants have put it.

In order to seek as many gains as possible in the course of negotiations, each party has been taking things easy, without allowing itself to be pressed by any timetable, such as the projected deadline of December 21 for the election of a chancellor. According to the estimates of optimists, the new government will be formed no earlier than mid-January.

Kohl's Christian Democratic Union (CDU), its Bavarian sister party—the Christian Social Union (CSU), and the liberal Free Democratic Party (FDP) have yet to resolve their major disagreements over issues ranging from the FDP's call for lower taxes in former East Germany to new taxes, political asylum and abortion.

Meanwhile, the coalition parties are fully aware that they must join hands in face of their government's growing responsibility for the construction of a "new European order" and the speedy recovery of the ailing economy in the eastern part of their country.

The FDP, with veteran Foreign Minister Hans-Dietrich Genscher at its helm in the cabinet, has been more assertive in trying to put a liberal stamp on policies after garnering 11 percent of the national ballots in the December 2 elections—the best result his party had ever achieved since 1961.

But the FDP will ultimately have to make a compromise with the CDU as it does not have the option of forming an alternative coalition with the opposition Social Democratic Party (SDP).

The CDU, which owed its victory in the all-German elections to its active participation in the unification process, has been feeling sore about its worse-than-ever showing in the elections and has had to find a coalition partner.

In these circumstances, the two parties have found a growing interdependence rather than mutual rivalry to

be more beneficial to their interests, and this may explain why their coalition negotiations have been marked with procrastination and lukewarmness.

At the outset of the negotiations, the two sides decided to shelve the abortion issue, which is less pressing but more controversial, and turn to such issues as the housing policy. The very first round of talks resulted in the two sides narrowing down their differences over rent increases. No wonder that Kohl found himself satisfied with the two-week negotiations, which he described as "constructive."

However, almost all the hard nuts have been left intact:

—A lower-tax zone in eastern Germany:

The FDP put forth this plan as an inevitable device to encourage investment and lower the stunning unemployment rate in eastern Germany, thus averting a possible social instability there. As the core of the suggestion is a corporate tax cut which the two conservative parties say would be divisive and open to abuse, FDP chief Otto Graf Lambsdorff warned in the press that if there is no lower-tax zone, the FDP will not vote for Kohl. CDU General Secretary Volker Ruehe called the warning "a sheer blackmail."

—Cabinet posts distribution:

How many posts will the future cabinet have and where will they go? Although Kohl has kept a secret about all this, a personnel fight has already started.

Will the FDP content itself with four posts in the cabinet, as it has in the outgoing cabinet? Liberal Education Minister Jurgen Mollemann at first showed an interest in the defense portfolios now in CDU hands. He changed his mind when the incumbent economic Minister Helmut Haussmann made public his intention to quit in order to engage in business. The FDP has also incurred the protest of CSU chief Theo Waigel for coveting the Transport Ministry controlled by the CSU.

—The way to trim the huge budget spending:

The coalition parties agree in principle on a cut of the huge federal budget but differ in concrete steps to be taken to this end. To keep next year's federal debts under 70 billion deutsche marks, or about 47 billion U.S. dollars, Financial Minister Waigel suggests a budgetary cut of 35 billion marks, or about 23 billion dollars. In a 14-point plan, he suggests no cut in defense budget for 1991 while the FDP stands for the 50-billion-mark ceiling, or 33 billion dollars.

Now the coalition parties have suspended their negotiations for the Christmas break. They are expected to resume talks on January 7. With the participation of 11 working groups specialized in different fields such as budget, revenue and farm support. Their discussions will decide if it is possible to select a chancellor on January 17 next year.

Financial Cooperation Protocol Signed With France

OW1912202090 Beijing XINHUA in English
1545 GMT 19 Dec 90

[Text] Paris, December 19 (XINHUA)—China and France signed here today a protocol on inter-governmental financial cooperation.

Under the protocol, France will provide a mixed loan of 1.31 billion francs (about 257 million U.S. dollars) to China for buying French equipment and technology in the fields of telecommunication and energy.

This is the eighth protocol between the two countries since 1985.

Yang Shangkun Receives New French Envoy

OW1812120790 Beijing XINHUA in English
0845 GMT 18 Dec 90

[Text] Beijing, December 18 (XINHUA)—French new Ambassador to China Claude Martin presented credentials to Chinese President Yang Shangkun here this morning in the Great Hall of the People.

Austria, Sweden Give Preferential Loans to Fujian

OW1512063690 Beijing Television Service in Mandarin
1100 GMT 14 Dec 90

[Text] The ceremony to sign a governmental loan agreement for a combined sum of \$62 million provided by Austria and Sweden to Fujian was held in Fuzhou on 13 December.

This was the largest of the external low-interest preferential loans which Fujian has utilized since June of last year. This was raised by the Fujian branch of the Bank of China for the large-scale backbone enterprise, the Qingzhou Paper Mill, to finance its 150,000-metric ton wood-pulp technological transformation project.

As a major reference to Fujian's foreign financial activities, the Fuzhou branch of the Bank of China has raised 12 preferential loans with a total sum of \$120 million for Fujian from the Governments of Australia, Canada, Norway, Sweden, and Austria.

Turkey Signs Judicial Cooperation Agreement

OW2012192490 Beijing XINHUA in English
1624 GMT 20 Dec 90

[Text] Ankara, December 20 (XINHUA)—China and Turkey signed here today an agreement on judicial cooperation.

Under the agreement, the two states will exchange information, including judicial documents and evidence, and promote the transfer of funds.

The agreement was signed by Tang Chengyuan, deputy director of the Chinese Foreign Ministry's Department of Treaty and Law, and Zeki Celikkol, director general of the Turkish Foreign Ministry's Department of Consular, Legal and Social Affairs.

Chinese sources said both sides will hold the second round of talks on judicial cooperation in Beijing early next year.

Latin America & Caribbean**Ambassador Attends Antigua Bridge Inauguration**

OW1912114390 Beijing XINHUA Domestic Service
in Chinese 0859 GMT 17 Dec 90

[Text] Beijing, 17 Dec (XINHUA)— According to reports from Saint John's, the Antigua and Barbuda Government held a ceremony to celebrate the opening to traffic of (Ke-li-ke) [0344 0448 0344] Bridge, built with Chinese assistance, on 14 December.

Among those attending the ceremony were Governor General and Madam Jacobs, Prime Minister Vere Bird, Deputy Prime Minister and Minister of External Affairs Lester Bird, other high-ranking officials and prominent figures from all circles of Antigua and Barbuda, as well as diplomatic envoys to Antigua. Zhou Wenzhong [0719 2429 6850], Chinese ambassador to Antigua, also attended the ceremony.

Prime Minister Vere Bird cut the ribbon for the bridge. The governor general of Antigua, other officials, and Ambassador Zhou crossed the bridge at the end of the ceremony.

(Ke-li-ke) Bridge was built across the (Ke-li-ke) River, three km south of Saint John's, the capital of Antigua and Barbuda. The bridge is 58 meters long and 10 meters wide. The bridge links the road from Saint John's to the western and southern areas of Antigua, making it a vital communication line in the country.

Political & Social

Proceedings of NPC Standing Committee Continue

Sun Wanzhong on National Emblem Law

OW2112104790 Beijing XINHUA Domestic Service
in Chinese 0902 GMT 20 Dec 90

[Text] Premier Li Peng submitted a State Council motion on the revised draft of the National Emblem Law to the Seventh NPC Standing Committee for examination at the opening of the 17th session today.

In the motion, Li Peng stated that this law was drafted to protect the dignity of the national emblem and to strengthen the sense of patriotism among the public.

Sun Wanzhong, director of the State Council's Legislative Affairs Bureau, gave an explanation on the draft to the current session on behalf of the State Council. He said: The present regulations on the use of the national emblem were adopted and promulgated at the eighth session of the Central People's Government Commission on 20 September 1950. With the evolution of China's political, economic, and cultural affairs since the nation's founding over 40 years ago, details specified in these regulations can no longer meet our actual needs. Moreover, many important particulars, such as the manufacture and specifications of the national emblem and the punishment for defiling it, have not been spelled out. This creates confusion during the use of the national emblem and other designs in actual life. In order to protect the dignity of the national emblem and to enhance the sense of patriotism among the public, a number of NPC deputies had, on many occasions in recent years, called for an early revision of existing regulations on the use of the national emblem in order to perfect legislation in this respect. Therefore, it is necessary to formulate a National Emblem Law for this specific purpose to protect the dignity of the national emblem and to promptly revise the existing regulations on the use of the national emblem.

On the limitations as to where the national emblem may be hung, Sun Wanzhong said that the draft made major revisions in the following areas:

First, stipulations on the hanging of national emblem in state institutions were amended. The names of certain institutions in the existing regulations, which were changed, were adjusted accordingly. The names of abolished institutions are removed. Based on provisions in the Constitution pertaining to state institutions, standing committees of people's congresses at all levels, the Central Military Commission, and people's courts and people's procuratorate at all levels were added.

Second, stipulations on hanging the national emblem by people's administrative offices were canceled. During the early years of the republic, people's administrative offices were power organs of the first level and therefore required to hang the national emblem. But since 1978, in

accordance with provisions in the Constitution, administrative offices were no longer power organs of the first level but organs appointed by provincial and autonomous regional governments. It has, therefore, become inappropriate to hang the national emblem.

Third, the draft also increases the places that may hang the national emblem. It stipulates that Tiananmen, the Great Hall of the People, conference halls of power organs, courts of judicial organs, and border ports symbolizing state sovereignty should hang the national emblem. In addition, the draft also stipulates that people's governments at all levels should hang the national emblem.

Sun Wanzhong also gave an account on the limits in which the national emblem design may be used and the legal liability for violating such limits.

Wang Bingqian Explains Tax Motion

OW2012133290 Beijing XINHUA Domestic Service
in Chinese 0917 GMT 20 Dec 90

[Text] Beijing, 20 Dec (XINHUA)—Premier Li Peng today submitted a State Council motion to the 17th Session of the Seventh National People's Congress [NPC] Standing Committee, requesting it to examine the draft income tax law concerning Sino-foreign joint ventures and foreign enterprises in China. The NPC Standing Committee began its session today.

Premier Li Peng says in his motion that the new tax law was drafted by the Ministry of Finance on the basis of extensive investigation and study, solicitation of views, discussions, revisions, and summation of actual experiences so that open policy can be carried out more efficiently, the environment for foreign investors can be further improved, and the existing problems can be resolved more satisfactorily.

Wang Bingqian, state councillor and minister of finance, explained the draft law at today's session at the State Council's request.

Wang Bingqian underscored the necessity of drawing up the income tax law concerning Sino-foreign joint ventures and foreign enterprises. He said: The NPC, in 1980 and 1981, drew up and promulgated the "Income Tax Law Concerning China-Foreign Joint Ventures," and the "Income Tax Law Concerning Foreign Enterprises." Great changes have taken place in the sizes, channels, and patterns of the use of foreign capital and technology during the last 10 years. However, because these laws have not prescribed the scope by which the laws should be applied, and there are disparities in rendering tax preferential policy, the two tax laws can no longer keep pace with actual needs.

Wang Bingqian said: On the whole, the new law was drafted on the basis of combining the two old laws and under the principle that no additional taxes will be imposed and no preferential treatment will be reduced. All the articles of the old tax laws were retained so long

as they are effective and are commonly accepted. At the same time, there will be some supplementary regulations in the new law based on the experiences gained in the last 10 years and on international practices. We believe that, because of the formulation of the new law, the income tax law for foreign-related enterprises will become more standardized and rational.

Wang Bingqian also explained the tax rates, tax deductions and exemptions, and the way the new tax law will take the place of the old ones.

Gu Ming Reports on Draft Procedural Law

*OW2012182290 Beijing XINHUA Domestic Service
in Chinese 0929 GMT 20 Dec 90*

[Text] Beijing, 20 Dec (XINHUA)—At the 17th Session of the Standing Committee of the Seventh National People's Congress [NPC], which opened today, Gu Ming, vice chairman of the NPC Law Committee, reported on the result of examination by his committee of a draft PRC procedural law for concluding treaties.

According to Gu Ming, the draft procedural law for concluding treaties was initially examined at the 15th Session of the Standing Committee of the Seventh NPC. Based on the opinions expressed by the Standing Committee members after examining the draft law and also on the opinions obtained from the Foreign Affairs Committee and other departments concerned, the Law Committee held meetings on 14 and 17 December 1990 to conduct another examination of the draft law. The opinion of the Law Committee is that the draft law is by and large feasible. At the same time, it also proposes the following revisions:

1. Based on the suggestions of some members and law experts and after studying with the NPC Foreign Affairs Committee, the Ministry of Foreign Affairs, and the State Council's Bureau of Legislative Affairs, it is proposed that the draft be revised as follows: "The PRC State Council, that is, the Central People's Government, concludes treaties and agreements with foreign countries." "The NPC Standing Committee of the PRC decides on the ratification and abrogation of treaties and important agreements concluded with foreign countries." "The PRC president ratifies and abrogates treaties and important agreements concluded with foreign countries pursuant to the NPC Standing Committee's decision."

2. The draft states that "this law applies to bilateral and multilateral treaties between the PRC and foreign countries, including pacts, special pacts, agreements, protocols, and other documents in the nature of treaties." Some law experts pointed out that the expression used in the Constitution is "treaties and agreements," that is, the Constitution separates agreements from treaties. Because of this, it is proposed that the above sentence be

changed to: "This law applies to bilateral and multilateral treaties, agreements, and other documents in the nature of treaties and agreements between the PRC and foreign countries."

3. With regard to the paragraph on treaties and important agreements whose ratifications shall be decided by the NPC Standing Committee, the following revised version has been proposed on the basis of a suggestion made by some members: 1) Political treaties such as friendship and cooperation treaties and peace treaties; 2) treaties and agreements on territories and the defining of boundaries; 3) treaties and agreements on judicial assistance and extradition; 4) treaties and agreements containing provisions different from the law of the PRC; and 6) other treaties and agreements to be ratified."

Xiang Chunyi on Draft Resolutions

*OW2012201490 Beijing XINHUA Domestic Service
in Chinese 0942 GMT 20 Dec 90*

[Text] Beijing, 20 Dec (XINHUA)—At the 17th Session of the Standing Committee of the Seventh National People's Congress [NPC], which opened today, Xiang Chunyi, vice chairman of the NPC Law Committee, reported on the results of the examination by his committee of a draft resolution on banning drug abuse and another draft resolution on punishing criminals engaged in the smuggling, production, sale, and dissemination of obscene materials.

According to Xiang Chunyi, the Law Committee believes that in order to ban drug abuse, check the harmful effects of obscene books, periodicals, and other materials, protect the physical and mental health of the masses, maintain public order, and ensure the smooth progress of the socialist modernization program, it is imperative to strike hard at the criminal activities of drug abuse and the smuggling, production, sale, and dissemination of obscene materials. For this reason, the formulation of these two resolutions is absolutely necessary. While the drafts are by and large feasible, some revisions are proposed:

With regard to the draft resolution on banning drug abuse, Xiang Chunyi said: Based on the suggestions made by some members, it is proposed that heavy punishment be allotted to the criminal activities of illegally growing large quantities of drug-producing plants; luring or egging on others to smoke, take, or inject drugs; and providing state-controlled narcotics or psychoactive drugs to those selling, smoking, taking, or injecting drugs.

As to the draft resolution on punishing criminals engaged in the smuggling, production, sale, and dissemination of obscene materials, Xiang Chunyi said: Based on the suggestions made by some members, it is proposed that Article 8—which states that "science works on human physiology and medical knowledge, and literary and art works with obscene contents but of artistic value are not obscene materials referred to in this

resolution"—be revised to read: "Science works on human physiology and medical knowledge are not obscene materials." "Literary and art works with pornographic contents but of artistic value are not considered as obscene materials."

Song Rufen on Draft Handicapped Law

*OW2112020790 Beijing XINHUA Domestic Service
in Chinese 1007 GMT 20 Dec 90*

[Text] Beijing, 20 Dec (XINHUA)—At the 17th Session of the Standing Committee of the Seventh National People's Congress [NPC], Song Rufen, vice chairman of the NPC Law Committee, reported on his committee's examination of the draft law to protect the handicapped.

According to Song Rufen, the Law Committee deems it absolutely necessary to formulate a law to protect the handicapped to safeguard their legal rights, develop various projects for the handicapped, and carry out constitutional provisions that call on the state and society to help make arrangements for the work, livelihood, and education of handicapped citizens. Basically, the draft is ready for approval. Therefore, the Law Committee suggests that the Standing Committee approve it after discussion. However, some revisions have been proposed by the Law Committee.

Song Rufen noted that the draft states: "Regular pre-school organizations, primary schools, and junior middle schools must admit handicapped children and juveniles who are suited for study there. Regular senior middle schools, universities, colleges, and institutions of vocational and technical education must admit handicapped people able to meet the admission qualifications. They shall not deny admission to handicapped people." As some members and local authorities pointed out, the law should explicitly state how to deal with instances where some schools refuse to accept handicapped people who are qualified for admission. For this reason, the following additional provision has been proposed: If a qualified handicapped person "is denied admission, the person concerned or his or her relative or guardian may ask the pertinent department to deal with the case, and the latter shall instruct the school to admit the person concerned."

He continued: With regard to the clause that "government offices, organizations, enterprises, institutions, and urban and rural collective economic organizations shall make available suitable vacancies to employ a certain ratio of handicapped people," an additional provision has been proposed for inclusion in the draft at the suggestion of the NPC Internal and Judicial Affairs Committee: "The specific ratio may be set by the people's governments of provinces, autonomous regions, or municipalities in line with the actual situation."

Song Rufen said: Some members, local authorities, and departments concerned have pointed out that it is very important to provide employment for the handicapped, and the law should specify several feasible assistance and

protection measures based on the actual conditions of our country. Accordingly, it has been proposed that a seven-point provision on protection measures be added to the draft.

In addition, he said, it has been proposed that the following provision be included in the draft: "The county or township people's governments shall, in accordance with the concrete situation, reduce or exempt obligatory labor, fees for public welfare programs, and other social burdens imposed on handicapped people in rural areas."

More on Draft Handicapped Law

*OW2012133490 Beijing XINHUA in English
1322 GMT 20 Dec 90*

[Text] Beijing, December 20 (XINHUA)—The 17th Session of the Standing Committee of the Seventh National People's Congress (NPC) opened here today to discuss draft laws, including the draft law on income tax for foreign-funded and wholly-owned foreign enterprises.

Minister of Finance Wang Bingqian said the draft law on income tax for enterprises involving foreign funds has been designed not to increase the burden on tax payers nor erode their preferential treatment. "This demonstrates that China is firmly sticking to the policies of reform and opening to the outside world," he said.

Song Rufen, Gu Ming and Xiang Chunyi, all vice-chairmen of the NPC Law Committee, urged the meeting to approve the draft law regarding the protection of the legal rights of the handicapped, the draft procedural law for concluding treaties and a draft resolution banning drug abuse and punishing criminals engaged in the smuggling, production, sale or spreading of pornographic materials, which the legislators had examined previously.

During the nine-day meeting the legislators will also discuss the draft amendment to China's civil procedural law (for trial use) and a draft law on the national emblem of the country. In addition, they will listen to a report on forestry projects and decide on appointments and removals.

Today's meeting was presided over by Wan Li, chairman of the NPC Standing Committee.

Civil Law Revision Considered

*OW2012183790 Beijing XINHUA in English
1351 GMT 20 Dec 90*

[Text] Beijing, December 20 (XINHUA)—China is to make the first amendment to its civil procedure law after eight years of trial operation.

A draft revision of the law was submitted for discussion today to the 17th meeting of the Standing Committee of the National People's Congress (NPC), which opened this morning here in the Great Hall of the People.

The major reasons for the amendment were learned to be the increasing number of economic cases, the formulation of new laws on civil affairs, and the difficulties in handling civil cases.

Vice-Chairman of the NPC Standing Committee and Director of the Commission of Legislative Affairs Wang Hanbin said that the past eight years have demonstrated the correctness of the basic principles and the procedural system of the law.

"So the basic contents of the law are maintained in the draft revision," Wang said. "What have been added are the regulations for handling economic cases to meet the needs of the development of China's commodity economy."

The draft revision, which stipulates the independent jurisdiction of civil cases, has increased the 205 items of the law to 243.

The basic principles in the draft cover nine aspects, including circuit trial, trial on the spot, open trial, collegiate discussion, withdrawal from trial, and others.

NPC's Xi Zhongxun Said Recovering From Stress

HK2112024190 Hong Kong HONGKONG STANDARD in English 21 Dec 90 pp 1, 3

[By Cheung Po-ling]

[Text] The Vice-Chairman of the Standing Committee of the National People's Congress Xi Zhongxun is recovering from severe stress said to have resulted from political struggles with hardliners.

Mr Xi is resting at a resort in Zhuhai, according to a high-level Chinese source.

The veteran official turned up at the celebration to mark the 10th anniversary of the founding of the Shenzhen Special Economic Zone on November 26, after a prolonged absence from public life.

"Xi, who is a former governor and was party first secretary of Guangdong Province in the 1970s, has ample reasons to attend the festivities," said the source.

"However, his emergence was deliberately arranged at Zhuhai from September. Medication controlled his illness.

"The fact that he was quite normal at the activities proved that he had been making a quick recovery.

"Despite that it is unlikely that he would resume normal work at the NPC Standing Committee in the near future."

Mr Xi has been absent from NPC Standing Committee sessions for the past few months. He was also absent from the last session for this year which opened yesterday.

The source said Mr Xi's illness was caused by a fierce political struggle with the party's hardliners.

"Mr Xi, who opposed the use of military to suppress the student movement last year, had been regarded as a maverick by some central leaders such as Li Peng and Yang Shangkun," the source said.

"In several sessions of the NPC Standing Committee earlier this year he boldly criticised the party and the Government and his nonconformity had been reported to some leaders.

"As a result, Mr Xi was told not to participate in the meeting for the time being and it was better if he rested at home.

"Instead of relaxing, Mr Xi's health began to deteriorate."

According to other Chinese sources, the NPC Standing Committee has been dominated by a restricted atmosphere and the animated discussions which once prevailed in 1988 and 1989 were rarely seen after the June 4 crackdown last year.

"In face of the fact that party is superior to everything, the NPC had failed to demonstrate its function as the organ of the highest power representing the will of the people," the source said.

"In addition, the Government had never relaxed its grip over the control of the NPC Standing Committee."

Sources said Beijing already had turned down requests from some NPC Standing Committee members to travel abroad.

"One of the members who was invited by several organisations to make overseas visits in the past year, has failed each time to obtain a consent from the authorities," said a source.

"The leaders feared that they would flee the country if they were allowed to leave China."

Two veteran members of NPC Standing Committee, Xu Jiatun, the former director of Hong Kong branch of XINHUA News Agency and Zhao Fusan, former vice-president of Chinese Academy of Social Sciences have been reluctant to return to China.

Li Tieying Speaks at Meeting on Sale of Women

OW2112101390 Beijing XINHUA Domestic Service in Chinese 1316 GMT 20 Dec 90

[By RENMIN RIBAO reporter Feng Yuan (7458 1254) and XINHUA reporter Sun Yong (1327 0516)]

[Text] Beijing, 20 Dec (XINHUA)—Today, at the national work meeting on striking crimes in kidnapping and selling women and children, and checking and clamping down on prostitution and visiting whores, Li Tieying, member of the CPC Political Bureau, said:

During this winter and next spring, we must concentrate our efforts on launching a specific campaign to crack down on criminal activities involving the kidnapping and selling of women and children, and on checking and banning prostitution and visiting whores in key districts in conjunction with wiping out pornography and the six vices. We must forcefully and effectively do this.

Li Tieying said: In recent years, various localities have done a lot of work in cracking down on activities such as abducting and selling people as well as prostitution and visiting whores, and have achieved remarkable results. However, at the same time, we must be aware that illegal activities, such as kidnapping and selling women and children as well as prostitution and visiting whores, presently are still very rampant. Therefore, we must take firm, resolute, practical, and effective measures against them.

Li Tieying pointed out: At present, party committees and governments at all levels must first of all be fully aware of the importance of cracking down on the criminal activities of kidnapping and selling of women and children as well as of prostitution and visiting whores. They must also be soberly aware that clamping down on the rampancy of kidnapping and selling of women and children as well as prostitution and visiting whores, and the eradication of these vile social phenomena is a significant struggle in protecting the personal interest of the masses, in maintaining social stability, and in straightening up current social practices. We must adopt a serious attitude and be responsible to the party, state, people, nationality, and history in this respect. We must carry out this task with a strong sense of responsibility and urgency.

Li Tieying emphasized: Leaders of party committees and governments at various levels must strengthen leadership and clearly define responsibilities in waging this struggle. Responsible comrades of party committees and governments must personally take command of the task in the key areas of various provinces, autonomous regions, and municipalities directly under the central government. Political and law committees must take the lead in organizing the relevant ministries and departments to set up leading groups to crack down on abducting and selling people, prostitution, and visiting whores. The ministries and departments include public security, supervision, courts, justice, public health, civil affairs, finance, propaganda, education, trade unions, the Communist Youth League, and the women's federation. It is necessary to implement centralized leadership with apportionment of responsibilities to various departments and unified management.

Li Tieying said: The focal point in the task of checking and banning prostitution and visiting whores is to take vigorous measures to strike at the major organizations and their heads, who abduct and harbor women and force them into prostitution. From now on, hotels and restaurants which accommodate, shelter, and connive at the activities of prostitution and visiting whores will

virtually be treated as points for sheltering criminals and will be strictly dealt with and made answerable legally. At the same time, stringent economic sanctions will be applied while their leaders will be investigated and held responsible.

Li Tieying emphasized: It is necessary to grasp the key task of striking at criminal bands and gangs and be thorough in exterminating the evils to crack down on the crimes of abducting and selling women and children. In rescuing women and children who were abducted and sold, it is necessary to go to the places into which they were abducted and also inform those places that they must take the women and children back to their homes. No one is allowed to practice local protectionism. The relevant areas must establish a coordination system.

Li Tieying especially emphasized: The propaganda, media, judicial, cultural, educational, and public health departments must jointly do a good job in propaganda work in collaboration with people's organizations such as trade unions, the youth league, and women's federation. We must make full use of the news media including books, newspapers, magazines, broadcasting, and television to vigorously carry out propaganda on the legal system based on constitutional law, criminal law, marriage law, and relevant regulations pertaining to the protection of the rights and interests of women and children. This will strengthen the legal concept of the masses.

Liu Zhongde, deputy head of the Propaganda Department under the CPC Central Committee also spoke at the meeting. Responsible comrades of the relevant ministries and departments attended the meeting. The meeting was presided over by Huang Qizao, vice president of the All-China Women's Federation.

Li Tieying on Raising Education Funds

OW2012130290 Beijing XINHUA Domestic Service
in Chinese 1348 GMT 18 Dec 90

[By XINHUA reporter Feng Yingbing (7458 3841 0393)]

[Text] Beijing, 18 Dec (XINHUA)—Henan, Jiangxi, Guangxi, Gansu, Ningxia, Jiangsu, and Liaoning were honored by the State Education Commission [SEC], the Ministry of Finance, the State Planning Commission, and the Ministry of Agriculture today as advanced provinces and regions in raising education funds through various channels to improve educational conditions.

In their speeches at the commendation meeting, both Li Tieying, state councillor and SEC minister; and Wang Bingqian, state councillor and minister of finance; stressed that raising education funds through various channels to improve educational conditions is an important guiding principle for China's educational development, and it must be upheld firmly, thoroughly, and in a sustained manner.

According to SEC statistics, from 1981 to 1989, people in all social quarters of the country raised a total of 35 billion yuan for refurbishing and rebuilding hazardous school buildings; they repaired and rebuilt school buildings with a total floor space of 198 million sq m. From January through June this year, 1.5 billion yuan raised or donated by people nationwide was spent on rebuilding hazardous school buildings with a total floor space of 21 million sq m. The percentage of hazardous middle and primary school buildings dropped from 17 percent in 1987 to 4.44 percent in September 1989. It is expected that the percentage will drop to below 3 percent this year. The successes achieved by seven provinces and autonomous regions commended this time are exceptional, like Shandong, which was commended late last year. For nearly a decade, Henan has built and rebuilt 90 percent of its middle and primary schools, and the percentage of the province's hazardous buildings has dropped to 0.4 percent.

The commendation meeting today was held at the Great Hall of the People. Each of the seven provinces and autonomous regions commended received a brocade banner with characters that read: "Education by the people, education for the people."

In his speech, Li Tieying pointed out: "Education by the people, education for the people" is a general description of the basic experience gained by people in all parts of the country in raising education funds through various channels to improve educational conditions. This experience has an important significance for guiding the development and revitalization of China's socialist education.

He said that while we should continue to do a good job in raising education funds through various channels to improve educational conditions, we must correctly understand and properly handle the relationship between fund raising on the one hand and reducing the burden of the peasants and stopping unauthorized levies, prations, and fines on the other. We should fully consider the masses' capability, raise funds in a way appropriate to the local conditions, and spend the money rationally.

Li Tieying likened "education by the people, education for the people" to a two-part article. He said: The first part is about raising education funds through various channels to improve educational conditions, and we have achieved significant success in this regard during the last ten years or so. This is an issue of dealing with the "misfortune of the century." The second part of the article, on the other hand, deals with deepening educational reform, striving for improving education quality, and promoting education so that it can serve the people and socialist construction even more efficiently. This is a great cause having close bearing on coming generations. He urged all education departments to use their hard work to help people understand the fruitful results of their support for education.

In his speech, Wang Bingqian emphasized the need to promote education through hard work and thrift, tighten control and use of funds, and work hard to achieve better educational performance. He said: Education funds raised through various channels must be conserved and their use must be rationally planned. Efforts must be made to tighten the control of fund use and wipe out embezzlement and waste.

He urged finance departments at all levels to continue their active support for educational reform and development. He said: The National Financial Conference has stated clearly that contradictions between availability of funds and financial needs will be even more acute next year, but that, while the spendings will be reduced in many areas, educational expenditures will be increased appropriately in accordance with financial resources in various localities.

Wang Bingqian called on financial departments to continue, under the leadership of party committees and the people's governments at all levels and within the limits permitted by the state, to consider it their responsibility to raise funds through various channels to improve educational conditions. He also called on financial departments to work with education departments to mobilize the masses and work out plans so that fund-raising projects can proceed soundly and achieve new results.

Qian Zhengying, vice chairman of the National Committee of the Chinese People's Political Consultative Conference; and Chen Yaobang, vice minister of agriculture, also addressed the meeting.

Song Renqiong, Zhou Gucheng, Zhang Zhengxian, Xu Zhijian, and others attended the commendation meeting.

Leaders at Hui Opera Bicentennial Celebration

OW2012192290 Beijing XINHUA in English
1618 GMT 20 Dec 90

[Text] Beijing, December 20 (XINHUA)—A grand ceremony inaugurating the bicentennial celebrations of the introduction of Hui Opera into Beijing, which led to the formation of Beijing Opera, was held here tonight.

Leaders of the party and state Jiang Zemin, Wan Li, Qiao Shi, Li Ruihuan and others took part in the ceremony. Li Ruihuan and Li Tieying cut the opening ribbon.

Gao Zhanxiang, vice-minister of culture and organizer of the celebration activities, made the opening speech. "Beijing opera is a typical art of the operas of our nation. It is not only an artistic treasure of the Chinese nation, but also a gem among the art treasures of mankind. It is a glorious but arduous task bestowed on us by the history to reinvigorate Beijing Opera and develop our excellent national culture," he said.

Then artists from the China Beijing Opera Theater, Beijing Opera Theater of Beijing, Beijing Opera Theater of Shanghai, China Opera Institute and a Beijing opera troupe of the People's Liberation Army performed the traditional program "Prosperity Brought by the Dragon and the Phoenix".

In the next 23 days, 50 troupes involving nearly 3,000 artists from different parts of China as well as Hong Kong and Taiwan will stage 50 programs in Beijing. They will include programs jointly performed by artists from Taiwan and the mainland, traditional programs, newly created historical stories, and programs with modern themes. There will also be some programs of Hui, Han, Qin, and Kun, which have close ties with Beijing Opera.

Meanwhile, an academic symposium on Beijing Opera and an exhibition will be held.

Other commemorative activities will include lectures for selected young operatic actors and actresses, film and television shows on Beijing Opera and publication of academic works on Beijing Opera research.

The celebrations are jointly sponsored by the Ministry of Culture, Beijing Municipal Government, China Dramatists Association and China Association of Opera. They will last until January 12.

Further on Performance

OW2112055490

[Editorial Report] Beijing Television Service in Mandarin [Program 2, CCTV-2] at 1140 GMT on 20 December carries live coverage of the start of the Beijing Opera Festival in Beijing marking the bicentennial of the introduction of Hui Opera into Beijing. The festival opening ceremony is being held in a large unidentified auditorium. It is presided over by Gao Zhanxiang, vice minister of culture. Gao announces: "Present at this opening ceremony are Comrade Jiang Zemin, general secretary of the CPC Central Committee; Comrade Wan Li, chairman of the National People's Congress [NPC] Standing Committee; Comrades Qiao Shi and Li Ruihuan, members of the Standing Committee of the Political Bureau of the CPC Central Committee; leading comrades of the Central Political Bureau, the Central Advisory Commission, the NPC Standing Committee, the State Council, the Central Military Commission, the Central Discipline Inspection Commission, and the National Committee of the Chinese People's Political Consultative Conference; and responsible comrades of the departments concerned under the party Central Committee and the State Council and Beijing Municipality."

Video shows wide shots of Jiang Zemin, Wan Li, and other leaders entering the auditorium and medium shots of them seated among the audience.

After Gao Zhanxiang delivers a short speech, Li Ruihuan and Li Tieying are asked to come on stage to cut the

opening ribbon. A Beijing opera performance lasting three hours immediately follows.

Toward the end of the performance, the camera cuts to medium shots of Jiang Zemin and Li Ruihuan sitting together among the audience, talking to people around them. Following the performance, Jiang Zemin and other leaders ascend the stage to congratulate and shake hands with the performers. There are no speeches made by the central leaders.

The report ends at 1450 GMT. This live program was not observed on Beijing Television Program 1 [CCTV-1].

CPC Urges Members To Learn From Fu Xianzhong

OW2112100290 Beijing XINHUA in English
0918 GMT 21 Dec 90

[Text] Beijing, December 21 (XINHUA)—An ordinary peasant from Yutian County, Hebei Province has been made the example for all members of the Chinese Communist Party to follow.

Fu Xianzhong, a village storekeeper and a party activist, began spreading and promoting the policies of the party and the government in 1950. He devoted his entire life to uniting all the villagers in an effort to rid his home village of poverty.

Three low-level officials from Fu's hometown gave a lecture today at the Great Hall of the People on the deeds of Fu, who passed away last year. Thousands of party members and officials from central departments attended the meeting.

Meanwhile, a decision was made today by the departments concerned of the party Central Committee to call on all party members and low-level party committees to learn from Fu Xianzhong and follow his example of doing practical things to help people.

Culture Ministry Holds Film Reception

OW1812180790 Beijing XINHUA in English
1554 GMT 18 Dec 90

[Text] Beijing, December 18 (XINHUA)—The Chinese Ministry of Culture and the China Association for Cultural Relations With Foreign Countries (CACRFC) jointly gave a film reception here this evening in honor of the forthcoming new year 1991.

He Jingzhi, acting minister of culture, Zhu Muzhi, president of the CACRFC, and more than 100 Beijing-based foreign diplomats and their spouses attended the reception at the National Library of China.

In his toast, He Jingzhi expressed the hope that foreign diplomats, especially cultural officials in the embassies, will render more support and cooperation to his ministry to increase mutual understanding and promote friendly relations through cultural exchanges.

At the reception, three documentary films "The Melody of Rivers," "The Ninth Heaven of Fortune" and "Farmers' Artistic Salon" were shown.

Leader Inscriptions Mark Broadcasting Anniversary

*OW2112073690 Beijing XINHUA Domestic Service
in Chinese 1323 GMT 20 Dec 90*

[By reporter Chen Weiping (7115 5898 1627)]

[Excerpt] Beijing, 20 Dec (XINHUA)—The Xinhua Broadcasting Station in Yanan began broadcasting on 30 December 1940, and thus gave birth to the Chinese people's radio broadcasting undertakings. In the last 50 years, the Central People's Broadcasting Station has made outstanding contributions to publicizing the party line and enhancing national spirit.

Comrades Jiang Zemin, Deng Xiaoping, Yang Shangkun, Li Peng, Peng Zhen, Deng Yingchao, and Li Ruihuan recently wrote inscriptions to greet the 50th anniversary of the Central People's Broadcasting Station and the people's radio broadcasting undertakings.

Yang Zhengquan, director of the Central People's Broadcasting Station, said today: At its beginning, the Central Broadcasting Station broadcast for only two hours a day. Now, with six channels, it has become the national radio broadcasting for 107 hours daily. [passage omitted]

Radio Services Expanded

*OW1612073390 Beijing XINHUA in English
0704 GMT 16 Dec 90*

[Text] Beijing, December 16 (XINHUA)—One in every two Chinese tunes to the news service of the Central People's Broadcasting Station at 6:30 a.m. or 8:00 p.m., latest statistics has shown.

China's national radio (CPBS), which is to celebrate its 50th anniversary in two weeks, is enjoying increasing popularity among China's radio listeners who regard it as an authoritative source of information.

Half a century ago, it could broadcast only for an hour a day in a cave dwelling in northwest China's Yanan.

Now with six channels, the radio provides news, music and almost every kinds of information for 107 hours everyday, and its special service for Taiwan, available for over 37 hours daily, is well received by islanders who mailed 1,700 letters to its editor this year alone.

In China where every 2.5 persons owns a radio set or a transistor radio, CPBS has tried hard in recent years to modernize its equipment and update its traditional services. As a result, more listeners are drawn back from soap operas on TV.

Five years ago, the national radio began transmitting its programs by satellite and a comprehensive technological

system was set up. It has established cooperative relations with the radio stations in more than 80 countries across the world.

Sources from the radio station said that next year, CPBS will increase its broadcasting time to 130 hours a day with seven channels. The news on radio will be more updated, service programs will be closer to life, and music will be more pleasing to the ear, they added.

Li Xiannian Prefaces Book on Socialism

*HK2112083990 Beijing RENMIN RIBAO in Chinese
18 Dec 90 p 1*

["Pen Talk: Only Socialism Can Develop China Published"]

[Text] The first volume of the book entitled *Pen Talk: Only Socialism Can Develop China* has been published by the RENMIN RIBAO Publishing House and is on sale at Xinhua Bookstores throughout the country as of today.

Since last July when this newspaper started a special column entitled "Pen Talk: Only Socialism Can Develop China," the column has been extensively welcomed by readers. To date, a total of 39 articles have been published, including those written by such comrades as Gao Di, Nie Dajiang, Yang Qianli, Yu Xinyan, Wu Shuqing, Liu Guoguang, Chen Dairong, and Song Tao. This collection of articles has now been compiled and published as the first volume.

Comrade Li Xiannian wrote a preface for the book.

Military

Liu Huaqing, Chi Haotian Speak at Naval Meeting

*OW2112102090 Beijing Domestic Service
in Mandarin 2230 GMT 19 Dec 90*

[From the "News and Press Review" program]

[Text] Liu Huaqing, vice chairman of the Central Military Commission, emphasized at a naval work meeting on 19 December: In building the Armed Forces, we should continue to adhere to the principles of thrift and hard work, and conscientiously subordinate ourselves to national construction.

Liu Huaqing said: A relatively peaceful period emerged under the current international and domestic situation. This created an excellent opportunity for us to attain the strategic objectives of our economic development. We should carefully study how to take advantage of this opportunity to build the Armed Forces well.

He emphasized: It is necessary to take the road of ensuring good quality in building the Armed Forces through thrift and hard work. First, we should continue to ensure better troops and simpler administration. Second, we should step up military training and achieve military excellence under

the precondition that the commanders and fighters are politically qualified. Third, we should pay more attention to the development of high-tech equipment. We should rather have less but better equipment.

Chief of General Staff Chi Haotian also addressed the meeting. The naval work meeting opened on 15 December. Fourteen advanced units in military training and 31 division and regiment leaders were commended during the meeting. Leading comrades of the Central Military Commission met with the delegates. The leading comrades included Yang Baibing, secretary general of the Central Military Commission; and Zhao Nanqi, director of the General Logistics Department.

Demobilized Servicemen Placement Plan Viewed

OW2112101090 Beijing XINHUA Domestic Service
in Chinese 0844 GMT 19 Dec 90

[By reporter Chen Yan (7115 7159)]

[Text] Beijing, 19 Dec (XINHUA)—The placement of demobilized soldiers and cadres, who retired or were released from military service in our country, further broadened its road and gradually moved toward a systematized and regularized development during the Seventh Five-Year Plan period. In the past five years, the whole country appropriately resettled a total of several million demobilized soldiers and voluntary servicemen, arranged for placement of over 47,000 cadres discharged or retired from military service, and played a positive role in contributing to social stability.

The work of resettling demobilized soldiers changed from the purely consolation-type of the past during the Seventh Five-Year Plan period. Proceeding from helping the ex-servicemen become well-off through their hard work, the dual capability of the ex-servicemen was utilized. The channel of placement work expanded and widened in this manner. With the concern and support of the Armed Forces and local governments, a large number of fighters with special skills were trained, and this promoted their technical quality. Their employment problem after being demobilized was not only solved, but the qualified personnel required for development of local economic construction were provided. Now a preliminary system of training, recommending, and utilizing qualified people has been formulated. Within five years' time, a total of more than 1.05 million dual-purpose qualified personnel were developed and provided with employment.

At the same time, China further formulated and perfected its placement regulations and some practical and effective methods of placement. The State Council promulgated the "Regulations Governing the Placement of Demobilized Voluntary Servicemen," and thereby brought placement work on discharged or retired soldiers onto a legal track.

The services and administration of cadres, who retired or were released from military service and who were transferred to local governments, also moved on track during the Seventh Five-Year Plan period. The Ministry of Civil Affairs and departments in various localities began to take over the placement of cadres retired or released from military service in 1985. They now accomplished the placement task for the first and second batches of cadres who have retired or were released from military service while 51.3 percent of the acceptance and placement task for the third batch has been completed. Tens of thousands of housing units have been built, and more than 1,460 retirement centers and service stations for retired cadres have been established throughout the country.

A military supply system of a fairly large size and means was established nationwide during the Seventh Five-Year Plan period. Presently, a total of 209 military supply stations with a daily accommodation capacity of several hundreds of thousands of persons have been set up across the country and successfully fulfilled military supply tasks.

'Special Report' on Training of Female Marines

Part One

HK2012145190 Hong Kong WEN WEI PO in Chinese
15 Dec 90 p 6

["Special Report" by Chi (7162): "China's First Generation of Female Marines" (Part One)]

[Text]

Stood the Test of Being Exposed to the Blazing Sun

An August 1986 order from the Beijing Naval Headquarters was sent to the Navy's South China Sea Fleet, which read: Promptly pick three female privates to participate in the marines' intensified training battalion and training for receiving foreign visitors. That was an order to make female soldiers thrilled, restless, and ready to try it.

The scorching heat of the August sun baked the cement ground, where a row of a dozen or so female soldiers in white short-sleeved shirts were standing. They were the last 13 candidates left after a selection and elimination process among approximately 100 candidates. They had endured a dozen tests, including the long race, grenade throwing, shooting, and specialty activities. If they could stand exposure under the scorching sun for three solid hours, three female marines in camouflage uniforms would surface.

Two of them passed out after 30 minutes. Another five dropped out 10 minutes later. On the drill ground only four others were left standing. The political instructor, Huang Zongjiang [7806 1350 3068], who was present, could not bear seeing them suffer any longer, and shouted, "Come back here; the competition is over!" However, none of the girls turned around, but stood

straight. Then another one retreated. The last three girls ran back perspiring; they won. Their names were Lin Guomin [2651 0948 2404], (head nurse, age 30); Zheng Qiurong [6774 4428 5554] (nurse, age 23); and Wang Jun [3769 6511], (nurse, age 20). They were China's first batch of female marines who are qualified to wear camouflage uniforms.

Special 'Welcoming Ceremonies'

A jeep violently bumped up and down, then made an abrupt violent turn, driving into a camphor wood, then halted. They got out of the jeep and found an extraordinarily tall, well-tanned soldier walking toward them, his camouflage uniform covered with mud, and the pantlegs of his trousers were rolled up to knee length, revealing the hairs on his calves. "Liu Lianrong [2692 6647 2837] here, commander of the reinforced company." He stretched out his big hand, which hurt Lin Guomin's small one in a handshake.

They were ushered to the door of a small room. At a wave of his hand, Commander Liu ordered: "Mark my words. Put your things in order. Your presence is required in drills this afternoon." Then, he stamped away without even turning his head around. Wang Jun touched Zheng Qiurong, who was standing close to her, and all three of them could not find their tongues. Their eyes followed the commander as he reached the drill ground, where some marines, all in their crew cuts, were grappling with each other with daggers in hands, in clouds of dust. In the afternoon, a whistle's shrieks brought the girls to the comprehensive drilling ground. They were appalled at the welcoming ceremonies arranged for them by the commander. On a stretch of sandy ground stood scores of marines abreast, stripped to their shorts and vests, while Liu Lianrong swung a wooden bat three feet in length, and hit each of the men's stomachs. With each hit, there came a shout of "Hei, hei!" from the man receiving it, who was expressionless with no sign of gasping for breath. When Commander Liu completed his round, solemnly he announced the dismissal!

There was no welcoming speech and no smiling faces. In their extraordinary way, the marines made an announcement to the three female soliders: It is no easy job to wear camouflage uniforms! That was a challenge, and an admonishment at that.

Relay With an Iron Baton

Here, I want to start with the most easy game, a relay.

When Wang Jun took over the "relay baton" from her male counterpart, instantly she sensed that the 100 meters involved could be a long distance. That was a baton exceeding two meters in length, a steel baton with ribs with a circumference no smaller than a human arm, some 40 kg in weight. She had to shoulder it to complete the 100-meter course amid the men's laughter to deliver that "relay baton" to Lin Guomin. She gnashed her teeth, and ran on in unsteady steps; no sooner had she

run 20 meters when the heavy baton dropped on the ground with a thump. "Step on the gas!" Lin Guomin shouted at the top of her voice. But Wang Jun could not manage another step. Their male counterparts had a good laugh: "How can you expect to be one of the marines with your strength?"

"Let me do it!" Lin Guomin shouted as she ran toward Wang Jun. The former weighed only some 45 kg; she picked up the baton, shouldered it and ran 200 meters without stopping. Their male counterparts stopped laughing and gave her a warm applause. In the evening, when they were in the bath, Wang Jun caressed the purple extravasated blood on Lin Guomin's shoulder and could not help crying.

Part Two

HK2012145390 Hong Kong WEN WEI PO in Chinese
16 Dec 90 p 6

["Special Report" by Chi (7162): "China's First Generation of Female Marines (Part Two)"]

[Text]

Completion of Five-Functional Training

At midnight the very same day, a drizzle broke the dull silence, and they were ordered to immediately leave for Huangji Island far out in the South Sea to participate in field survival training on the island. The island was overgrown with weeds, with lush tropical trailing plants covering almost all the ground. Vipers crawled in the weeds; mosquitoes and rats were rampant. Each of the girls was allowed one kg of field rations along with a bottle of fresh water. They were to spend a whole week on that island to complete a five-function training, namely, marching, fighting, eating, living, and hiding.

In the drizzle, they boarded a communication boat, which drifted along the waves for some five hours, then waded through shallow water to climb up the cliff on the island at dawn. The first two days saw Lin Guomin carefully calculating her rations, living solely on rice and wild plants. But on the fourth day, they had consumed everything edible; then it began raining. The three girls managed to clear off a plot of weeds and build a shed. No sooner had they entered the shed when three vipers with trunks thick as the human arm, found their way out of the bush crawling in their direction. The girls were scared out of their wits, screamed, and ran scores of meters away. The vipers ransacked their "home." The rain then began pouring. The three female marines put their heads together and ran under a wild loquat tree; there they built another thatched shed. It was not until dark that they felt exhausted and hungry; then they lay down, huddling close to each other, and fell asleep. But it was not long before they felt an unbearable itch all over their bodies. All three of them jumped up, and switched on their torches. My God! Schools of ants were fiercely attacking them.

They Are Worthy of the Title of Marine

A week later, they returned to camp in their stiff camouflage uniforms soaked through with sea water, rain, and sweat. Commander Liu filled three cups with liquor, offered them to the three woman marines all smiles, and said with deep feelings: "You are worthy of the title of marine." Some years have passed since then, and they have gone through all kinds of hardships. They became wild and toughened, indeed. They can now handle a knapsack weighing 20 kg and complete a five km cross-country armed exercise side by side with their male counterparts. On rainy nights, they are capable of going to some cemetery deep in the mountain alone to successfully get information. They are capable of shooting all kinds of weapons under various meteorological conditions. They have survived hell and genuinely become China's first generation of female marines.

Every Shot Hit the Target

The time was 0800. A storm had swept clean a Marine Corps' comprehensive training base. Accompanied by the Chinese navy commander, U.S. Marine Corps Commander General Kelley and his five American colleagues took the VIP seats with a backdrop of the Stars and Stripes and the Chinese national flag at the white rostrum, which had a close resemblance to a warship.

Three yellow flares shot up. Kelley lifted his binoculars, and in his view was the following scene:

Behind a stone fortification, the "enemy's" heavy machine guns frantically fired, a marine charging forward was "wounded" and fell. A "covering fire" was organized, Lin Guomin dashed out from a bunker, with a roll of her body she jumped into a pit filled with rainy water and started to shoot rapidly. The target was hit by her shot 50 meters away.

At this point, Zheng Qiurong and Wang Jun jumped out of the trench, dashed forward, rolled their bodies on the ground, and crawled forward; then with swift actions, they approached "the wounded" to apply first aid on the battlefield. Then they carried "the wounded," shooting as they moved along. As they fired every shot, one target after another were hit, without a single bullet wasted....

Gen. Kelley removed his binoculars, and, with his thumb up, said to the Chinese Navy commander: "Female marines, they're OK!" When the performance was over, Gen. Kelley walked down the rostrum, went straight to the three female marines, and said with a sense of humor: "You have very good qualities and very good marksmanship. I was fascinated." The female marines smiled with pride!

History will remember they are China's first generation of female marines.

Economic & Agricultural

Li Peng on Completing Economic Rectification

HK2112040490 Hong Kong WEN WEI PO in Chinese
21 Dec 90 p 2

[Report by staff reporter Chen Chien-ping (7115 1696 1627): "Li Peng Says Improvement and Rectification Will Be Basically Completed Next Year"]

[Text] Beijing, 20 Dec (WEN WEI PO)—In a recent speech, State Council Premier Li Peng said that the work of economic improvement and rectification will continue, and will be basically completed in about one year's time. He also said that the state should guide consumption through gradually establishing various social security systems.

Reportedly, before Li Peng set off to visit the four Southeast Asian countries, he gave a speech on the current domestic economic issues. He said that at present, the economic situation in China is improving, and the actual income of workers has not declined. However, poor economic results in some enterprises remain a prominent problem. He said: The work of economic improvement and rectification is continuing. The central authorities hold that economic improvement and rectification will be basically completed in about one year's time.

In his speech, Li Peng again mentioned the need to give guidance to consumption. He said: To guide consumption the state can take the following measures: First, conduct housing reform. Li Peng stressed that this work is of great importance. The state should try to guide national consumption to this path. As the concrete practice, the costs of housing construction in the future should be jointly borne by the state and individual consumers. This will absorb part of the consumption funds.

Second, it is necessary to further establish various social security systems and positively promote the self-guaranteeing measures among the workers. Each worker should be guided to make investments in the "golden period" of their working ages in order to guarantee their livelihood in old age. The necessary measures should also include the establishment of the insurance system for people waiting for jobs. It is also necessary to reform the current medical service system and establish the medical insurance system for individuals.

Third, funds held by enterprises with good economic results should more be used for collective welfare undertakings and should not be used too much to increase individual incomes. If the funds indeed need to be turned into individual incomes, they should mostly be turned into wages rather than various bonuses.

Bo Yibo Article on Product Quality Cited

OW1612132190 Beijing XINHUA Domestic Service
in Chinese 0322 GMT 16 Dec 90

[Text] Beijing, 16 Dec (XINHUA)—Comrade Bo Yibo, in an article carried by the No. 24 issue of QIUSHI journal published recently, points out that improving economic efficiency through earnest efforts to improve product quality is essential for ending the current economic predicament and ensuring sustained, steady, and coordinated economic development for a long time to come.

In his article, entitled "Improving Product Quality Is an Important Economic Issue," Bo Yibo points out: We should approach the issues of product quality and economic efficiency as issues bearing on the national economy as a whole; make greater efforts to replace China's quantity-based economy by a quality-based economy; and firmly follow the course of producing more quality and profitable goods with little investment and low consumption of resources.

The article points out: One basic premise for improving product quality is full awareness of its importance. We should realize that improving product quality is a prerequisite of socialist production. The ultimate goal of socialist production is to satisfy the public's ever-increasing material and cultural needs, both quantitative and qualitative. All enterprises, be they engaged in producing means of livelihood or means of production or in providing services, must provide better services to the masses, construction, and society by making constant efforts to improve the quality of their goods and services, accepting difficult market tests.

The article says: To surmount the difficulties caused by resources and capital shortages, greater efforts must be made to improve product quality and conserve resources. This is essential for building a Chinese-style socialist society. Meanwhile, we must be more quality conscious in order to develop our planned economy and broaden international trade and economic and technical cooperation.

The article points out: To improve product quality, we must, in addition to heightening our understanding, make earnest efforts to improve the work in all sectors and give top priority to quality control in our business management. Our enterprises' great or small achievements, or the total lack thereof, in restructuring themselves, in promoting contract-based operation, and in launching all types of reform measures, should be observed from the standpoint of product quality.

The article says: Improving product quality is part of the process of integrating advanced technology with scientific management. All production departments and enterprises must firmly place the work of upgrading technology on their agenda of important affairs, make constant efforts to arm themselves with new technology, and make active efforts to adopt advanced international

standards. This is the path our enterprises must follow in order to improve their proficiency and product quality.

The article points out: Speaking from a management angle, there are many factors that can affect product quality, for example the condition of equipment, supplies of raw and semifinished materials, operating methods, and environmental limitations. But workers' proficiency is the most important factor. To improve workers' proficiency, education must precede everything else, and training is indispensable. We must instill in workers the spirit of respecting their work and doing an even better job. We must intensify their technical and job training. While young workers must be trained, veteran workers must also make constant efforts to study new knowledge. Administrators must also have a fair amount of technical knowledge.

The article says: The improvement of consumer goods quality rests with the correct guidance provided by macroscopic policies and with further restructuring of the economic system. We must earnestly place priorities in our economic work on such essentials as restructuring production and product mixes, intensifying our enterprises' technological upgrading, optimizing resource use, and restructuring our enterprises to create a good macroscopic environment in which our enterprises can continue to improve the quality of their goods and achieve better economic results.

Article Views Adjusting Ownership Structure

HK2112073590 Beijing JINGJI CANKAO in Chinese
4 Dec 90 p 4

[Article by Fan Gang (8268 4854): "Appropriately Read-just the Ownership Structure"]

[Text] Editor's note: At present, price reform and reform of state-run enterprises cannot make any major breakthrough due to the restraints from various interest relations. Under this condition, we can take adjustment of the ownership structure as a new starting point for further reform. When we properly manage and use state assets and improve the system for managing the state-run economy, we should permit a greater development of people-run economies of various kinds, to create new and beneficial conditions for further reform of the state-run economy. [end editor's note]

At present, we all agree that we should further deepen reform, and many economists even think that we should continue to carry out "market-oriented" reform. The problem is how should we deepen the reform. When we consider this problem, we should also pay attention to two aspects of it: What kind of idea for deepening the reform is "workable" at this moment (one which can be implemented, can function, and is not costly)? Is it "effective?" It should really be beneficial to increasing efficiency and materializing stable growth, and to solving various economic problems which we now face; it should

not be one which cannot solve problems, or solve some problems while creating some other problems which are more difficult to solve.

The basic idea for reform of the internal mechanism within the state-run economy in our country in the past few years can be regarded as "delegating power and allowing benefits." This kind of reform solved some problems of microeconomic efficiency, but has not completely solved the problem of macroeconomic efficiency and dynamic efficiency, nor has it attained stable and balanced economic development, while enterprises' operation efficiency has not been basically improved. At present, we should continue to change and improve our revenue system and enterprise contracting system. However, it seems that if we still try to deepen reform according to the idea of "delegating power and allowing benefits," or make efforts in writing articles on the problem of "delegating power" or "collecting power," then we have no way to solve the deep-structure problems in our economy.

Another idea for deepening reform is to change the style of the ownership system of state-run enterprises, for example, the practice of enterprise ownership system (enterprise assets neither belong to the state nor to the individual laborers), and the practice of "shareholding system with shares held by legal persons" (the ultimate shareholders are the State Assets Management Bureau, state-run enterprise units, state-run banks, and so on). This kind of reform, which is being discussed, is workable to some extent at this moment, but its effectiveness is doubtful. Yugoslavia's enterprises resemble what the people called "enterprise ownership system," but in that country, the problem of distribution of income and the problem of the ratio of consumption to accumulation have not been properly solved, and the result is inflation and slowing down of the speed of economic growth. The shareholding system with shares held by legal persons includes selling some shares to individuals in society, which is beneficial to fund raising and to increasing the savings of individual earnings. However, if the major and ultimate shareholders are various state-run organs, it is hard to predict whether it can effectively change the internal operational and managerial mechanism of state-run enterprises or their mode of behavior. How to materialize survival of the fittest is still a problem which has yet to be solved. The enterprises which earn money can certainly practice the shareholding system, but the poorly operated enterprises or the losing enterprises cannot practice it. Thus, this reform cannot be applied to them, but the enterprises that badly need reform are precisely these enterprises.

In addition, regardless of enterprise reform or price reform, people have discussed a lot, but could not practice. In the detailed analysis, it is not because people are unwilling to do it, but because there are great difficulties and obstacles in light of the restraint from the current structure of vested interests. The society is neither formed by an individual nor by an interest group; it is formed by many individuals and many interest

groups. There are conflicts among interest groups, and any "social choice" is made amid the mutual restraint and conflict between various interest groups; it is not made simply according to a single kind of interest. In the final analysis, economic reform is a reform of economic interest; the more and deeper a reform involves itself in interest relations, the harder for it to advance. Therefore, an "ideal" reform plan is not always "workable" under any conditions. In any period, we can only try our best to choose the reform plan which is more workable, is likely to meet less obstacles, and is less complicated in operation (but it has to be a plan which can really effectively solve problems or which is beneficial to really solving the problems in the future), while leaving the problems which cannot be solved at this moment behind until conditions have matured. We should try our best to reduce the cost of reform, and gradually make various problems easier to solve. However, on the other hand, we cannot stop advancing. If we stop advancing now and do not actively create conditions for the reform, and if we do not move step by step toward the goal of really solving the problems, then our economic problems will get worse (they will not stop getting worse because we stop advancing). If the situation reaches a stage which requires "serious treatment," we will have to pay a greater cost.

At present, price reform and the reform of state-run enterprises are "under a long siege," and are entering a "stage of impasse." Under these conditions, we should change our ideas and first carry out some reforms which "require less money" and involve less vested economic interests. As far as I can see, at present we can take adjustment of the ownership system as a new starting point for deepening system reform. At the same time, when we properly manage and use state-owned assets, when we further perfect the finance system and the system for managing state-run enterprises, and when we try a shareholding system, we should permit a greater development of people-run economies of various kinds (cooperative, joint-stock, and private economies).

Although this idea for deepening the reform cannot "instantly" solve some of the urgent problems, from a long-term perspective it is beneficial to attaining the goals of reform and development.

First, socialist economy is an economy with public ownership as the mainstay and other economic components as supplements; at present, other economic components still occupy a very small proportion in the whole economy, as well as lacking economies of scale. We let people-run economies of various kinds develop now, and this is still a self-perfection of the socialist economy, and this cannot change the nature of our country's socialism. Furthermore, since we cordially welcome great investments from foreign countries, Hong Kong, Taiwan, and Macao, therefore, in principle we should also allow our own people-run economies to develop.

In addition, the development of people-run enterprises will enable market mechanisms to develop more rapidly.

and enable state-run enterprises to join market competition; it will then upgrade the economic efficiency of state-run enterprises, enable the state-run economy to further consolidate its dominant position in economy, and make it more convenient for the state to practice macroeconomic regulation and control.

Furthermore, people-run economies of various kinds are still developing, and have nevertheless revealed their comparatively strong vigor under the condition of a sluggish market (in 1989, the output value of industries owned by the whole people increased 3.7 percent, the output value of township and town industries increased 12.7 percent, and the output value of individual industries increased 24.1 percent; in the first nine months of 1990, the output value of industries owned by the whole people increased 0.7 percent, the output value of township and town industries increased 7.4 percent, and the output value of individual enterprises and enterprises with three sources of capital increased 43 percent), but due to various current restrictions, their development is not standardized, and the money they earn is consumed instead of being accumulated to develop social productive forces, while they themselves also lack returns of scale. In fact, the more their development is restricted, the more they will not be standardized, and the more negative effects there will be. If we legalize the development of people-run economies, and further formulate and improve various rules and regulations to allow them to develop in the direction of being beneficial to the well-being of the state and the people and to economic stability, then they can better make contributions to the modernization of the socialist economy.

Fourth, if we adjust the ownership structure now and permit a greater development of people-run economies, all we have to do is to adjust our policy, and we do not have to ask for money from the state or ask the state to "allow benefits." Conversely, revenue can be increased, and employment opportunities can be created; it will not involve the vested interest relations, but will provide favorable conditions for easing various current conflicts of interest. After people-run economies have developed, and alongside the increase in revenue and jobs, price reform and the reform of state-run enterprises can be implemented more easily; the more economic and social responsibilities the people-run economies shoulder, the less burden the state will shoulder. At the same time, some of the problems facing the reform of state-run enterprises cannot be satisfactorily solved within the domain of the state-run economy, but must be solved in the social domain. For example, one of the conspicuous problems facing rectification and improvement and enterprise reform is the problem of unemployment relief for staff and staff rational movement. Obviously, this problem has to be solved in the social domain. Since the development of people-run economies must also solve this problem, if a centralized social welfare system can be formed in the social domain during the process of

development of people-run economies through improvement of various rules and regulations, to have a centralized method to solve the problem, then it will create beneficial conditions for further reform of state-run enterprises.

At present, we face many economic problems, which cannot be solved by following the old route, nor by stopping our advance; many conflicts will get worse if they are not solved. Only by serious efforts and continuous reform can we really maintain social stability and economic development.

Economic Cooperation Symposium Opens in Shenzhen

OW1312055790 Beijing XINHUA Domestic Service
in Chinese 0220 GMT 12 Dec 90

[By reporters Zhao Wei (6392 5898) and Lu Min (7120 2404)]

[Text] Shenzhen, 12 Dec (XINHUA)—Some experts and scholars proposed that economic, scientific, and technical cooperation in South China's coastal areas be strengthened to bring the interior along and make it possible for it to have more access to the outside world.

At a symposium on economic cooperation in south China coastal areas, which opened in Shenzhen yesterday, some experts said: Guangdong, Fujian, Guangxi, Hainan, and other provinces and regions along south China's coast, including Taiwan, Hong Kong, and Macao, which are among the most economically developed areas in our country, are called "China's golden coast."

Ma Hong, a famous Chinese economist, said at the symposium: The current trend of economic development in the world is toward regionalization and incorporation. To accommodate ourselves to this new tendency of development, it is absolutely necessary to strengthen further the economic and technical cooperation in south China's coastal areas. Also, it is necessary to increase one another's advantages and offset mutual disadvantages through cooperation among the mainland, Taiwan, Hong Kong, and Macao. By relying on the vast interior of the mainland on one hand and forging close relations with various friendly Southeast Asian countries on the other, we will be in an invincible position in stiff economic and technical competition in the new world economic situation.

In expounding this concept, another famous economist Jiang Yiwei said: A prospect where China is based as one of the economic centers in the Asian-Pacific region is definitely possible. Its precondition is that advantages of the mainland, Taiwan, Hong Kong, and Macao are combined effectively into a unified advantage. In recent years, economic and trade cooperation between Fujian and Taiwan, as well as among Guangdong, Hong Kong, and Macao, has developed considerably. This shows the feasibility of economic association in South China's

coastal areas. He said: Our country is building a structure of opening up to the outside world in an all-around way. In addition to the southern coastal areas, another area of our country is being opened to Northeast Asia, mainly to the Far Eastern Soviet Union, the Korean peninsula, and Japan. Still another area, which is centered in Shanghai and linked with other places through Chang Jiang and the Gansu-Shanghai Railway, will become an important area for opening in East China. Areas in northwest and southwest China where border trade is vigorously developing can be expected to be open to the outside world to a certain extent.

These proposals by experts and scholars have received positive responses from participating responsible persons from Guangdong, Fujian, Guangxi, and Hainan, as well as from the Shenzhen, Zhuhai, Xiamen, and Shantou Special Zones. Scholars and entrepreneurs from Taiwan, Hong Kong, and Macao also enthusiastically responded to such proposals. It has been learned that this symposium was initiated jointly by the mainland's economist Ma Hong, Taiwan's Professor Gao Xijun [Kao Hsi-chun], and Hong Kong's Professor Min Jianshu. Over 120 relevant personages from various provinces and regions in southern coastal areas, as well as experts, scholars, and entrepreneurs from the mainland, Taiwan, Hong Kong, and Macao would express their views on this concept at the three-day symposium.

The symposium was jointly sponsored by the China Comprehensive Development Research Institute and the Shenzhen City Government.

Purchasing Ministry To Exert Full Control

HK2112023090 Beijing CHINA DAILY in English
21 Dec 90 p 1

[By staff reporters]

[Text] Xian—The Ministry of Materials and Equipment, China's major purchasing agent, will try by all means possible to control the largest quantity of materials to ensure the annual six percent increase in national gross industrial output envisaged for the coming Eighth Five-Year Plan period.

Materials Minister Liu Suinian told about 200 provincial government officials here yesterday that to force materials-production enterprises to fulfil their compulsory orders, and, more importantly, to seize the lion's share of the materials on the free market would be the only two ways to realize the goal.

Chinese State-owned energy and materials production enterprises used to complete the government orders for their products first. However, lured by the "double-tier" price system, since the beginning of the 1980s they have tried to shift the low-priced government orders to the high-priced free market.

Liu said that only when the State-run materials agent controls the bulk of materials would the government be

able to guarantee the construction of key projects, readjust the irrational industrial and products mix, and ensure a faster industrial development speed.

Vice Minister on Management of State's Assets

OW2012191490 Beijing XINHUA in English
1537 GMT 20 Dec 90

[Text] Beijing, December 20 (XINHUA)—China will further tighten management of state-owned assets in a bid to improve their efficiency.

Chi Haibin, vice-minister of finance, said today that, based on the principle of separation of ownership and management, China will restructure the management system of state-owned assets.

He was speaking at a national symposium on the management of the state-owned assets here today, the first of its kind in China and attended by over 150 economists and officials.

Statistics show that China now has over 1,700 billion yuan (about 360 billion U.S. dollars)-worth of state-owned assets in its enterprises and other institutions.

These assets form the major part of the economic backbone of China and contribute to most of the nation's annual state revenue.

However, there are some problems yet to be solved in management of the assets, such as low efficiency and inadequate industrial distribution, the four-day symposium was told.

Report on Increase in Peasants' Income

HK1712114590 Beijing RENMIN RIBAO in Chinese
9 Dec 90 p 1

[XINHUA report by reporter Lu Yongjian (7773 3057 1696): "Peasants Increase Income During Seventh Five-Year Plan Period"]

[Text] Beijing, 5 Dec (XINHUA)—During the Seventh Five-Year Plan, the income of peasants throughout the country has risen at an average annual growth rate of four percent, while their consumption level has been further enhanced, and their livelihood improved on a constant basis.

According to the State Statistical Bureau, the per capita income of peasants throughout the country is expected to reach about 630 yuan in 1990, an increase of 232 yuan over that in 1985 at a growth rate of 58.5 percent. After allowing for price rises, the actual average annual growth rate stands at around four percent.

The increase in peasants' income during the Seventh Five-Year Plan is marked by the following two distinguishing features: First, income generated from the secondary and tertiary industries has increased by 110 percent. Second, the proportion of peasant households with a net per capita income of less than 200 yuan has

dropped from 12.2 percent in 1985 to 4.7 percent in 1989, while the number of households with a high income has increased remarkably.

The net income level of peasants in various localities has risen in varying degrees. Peasants in Shanghai, Beijing, Tianjin, and Zhejiang earned a net income of over 1,000 yuan in 1989, among whom those in Shanghai earned 1,379.9 yuan.

The income increase has helped enhance peasants' consumption level. The per capita expenditure on daily necessities has increased from 317.4 yuan in 1985 to 535.4 yuan in 1989 at an average annual growth rate of 14 percent. Evident improvement has been seen in peasants' food, housing, and family expenditure.

Peasants are now paying more and more attention to enlivening their spiritual life and enhancing their educational level.

In 1989, the per capita expenditure of peasants on cultural and entertainment facilities; books, newspapers, and magazines; and cultural services was 30.6 yuan, an increase of 150 percent from 12.3 yuan in 1985. A large number of peasants have taken an active part in various continuation and technical training courses, bringing about an enhancement of the educational level of rural laborers.

Vice Minister Discusses Agricultural Problems

OW2112101990 Beijing XINHUA Domestic Service in Chinese 0958 GMT 19 Dec 90

[By reporter Wang Man (3769 3341)]

[Text] Beijing, 19 Dec (XINHUA)—Vice Minister of Agriculture Chen Yaobang said today: During the Seventh Five-Year-Plan period, China fulfilled its planned targets for most farm products. The country reaped good grain and cotton harvests for two consecutive years and brought an end to the stagnation that has existed since 1985. Both the secondary and the tertiary industries are developing steadily and the commodity economy becomes more and more vigorous day by day in rural areas.

The total social output value of China's rural areas this year will reach some 1.6 trillion yuan, according to the preliminary forecast of a department concerned. If calculated in comparable prices, the 1990 total output value will increase by 90 percent over the 1985 value, at an average annual rate of 14 percent. Of the 1990 value, the total agricultural output value will reach some 690 billion yuan, an increase of 23 percent over 1985 at an average annual rate of 4.2 percent. The 4.2 percent rate is higher than the Seventh Five-Year Plan's projected annual rate of 4 percent.

Chen Yaobang pointed out: We reaped bumper agricultural harvests for two years in a row and grain and cotton production started to pick up. However, the overall

situation of our agricultural development remains grim and there are still many difficulties and problems ahead. The major problems are that the growing population is causing heavier and heavier pressure on agriculture, the ability of agriculture to resist natural disasters is poor, rural reform still needs improvement, and the broad masses of peasants lack scientific and technological knowledge. From now on, the agricultural departments in all localities should deal with these questions, continue to strengthen their leadership over agriculture and rural work, stabilize basic rural policies, further improve technical service to agriculture, accelerate the popularization of scientific and technological achievements, and bring about further steady and coordinated agricultural development.

Agriculture Official on Grain Production Increases

OW2012220290 Beijing XINHUA in English 1405 GMT 20 Dec 90

[Text] Beijing, December 20 (XINHUA)—China produced 3,750 kg of grain per ha of land in 1990, on average—an increase of 75 kg over last year—said an official from the Ministry of Agriculture today.

He hailed the sharp rise as an important step in China's efforts to increase per-unit grain production instead of increasing production largely by expanding sown areas.

He attributed the rise to the nationwide effort to apply science and technology and increase material and capital investment in agriculture, in addition to favorable weather conditions.

Early this year the State Council adopted a series of policies and measures such as the establishment of various agro-technical extension organizations, increase in the number of farm technicians and promotion of technical training.

In addition, the Ministry of Agriculture launched a "year for technical extension" and carried out the "bumper harvest program". For example, high-yielding techniques have been applied on 6.7 million ha of wheat and maize in Huang-Huai-Hai plain, and on 6.7 million ha of rice in the south of China.

Wheat and cotton relay-cropping techniques and high-yielding techniques for cotton have also been introduced in the three provinces of Shanxi, Shandong and Henan.

According to the Ministry of Agriculture, China sowed 15 million ha of hybrid rice, an increase of two million ha over last year and 18 million ha of hybrid maize, a total increase of 700,000 ha over last year.

Science, Technology Raise Grain Yield

OW2012220690 Beijing XINHUA Domestic Service in Chinese 0951 GMT 19 Dec 90

[By XINHUA reporter Wang Man (3769 3341)]

[Text] Beijing, 19 Dec (XINHUA)—Agricultural science and technology shows its prowess again in increasing China's per-unit grain yield. For the first time, the national average per-mu grain yield has exceeded 250 kg this year, marking an increase of more than five kg over last year.

Chen Yaobang, vice minister of agriculture, told this reporter today that the per-unit output increase is an important factor in China's bumper grain harvest this year.

According to Chen, the State Council has clearly stated this year that the application of new science and technology is a major strategic measure for revitalizing agricultural production. Moreover, it has drawn up a series policies and measures governing the establishment and improvement of all types of agricultural technology promotion organs, regular training of agricultural scientists and technicians, the intensification of rural education, and the launching of technical training programs.

This year, apart from promoting science and technology nationwide, the Ministry of Agriculture also planned with the Ministry of Finance to expand the "bumper harvest plan." They also organized the project of growing 100 million mu of wheat and another 100 million mu of corn in the Huanghai-Huaihai-Haihe plain, the project of introducing high-yield technology in 100 million mu of rice fields in southern China, and the project of intercropping 100 million mu of cotton and wheat in Hebei, Shandong, and Henan Provinces. All these projects have achieved satisfactory results.

According to relevant departments' preliminary estimates, the nation has grown 230 million mu of hybrid rice and 270 million mu of hybrid corn this year, or an increase of nearly 30 million mu and 11 million mu respectively over that of last year, and covered 50 million mu of croplands with plastic sheeting, or a greater coverage of more than 10 million mu over that of last year. Both the per-unit yield and total output of these crops have also increased substantially.

East Region

Services Support Anhui Responsibility System

OW2112081790 Beijing XINHUA in English
0803 GMT 21 Dec 90

[Text] Hefei, December 21 (XINHUA)—Without social service, it would be difficult for Chinese farmers to reap good grain harvests every year.

This is a common view amongst farmers in Fengyang County, Anhui Province. The province, which was hit by a drought this year, reaped a good grain harvest with the help of the social service stations.

Fengyang took the lead in carrying out rural reform, which features contract production responsibility with the family as the basic unit, in 1978. As a result, Fengyang has changed its face from depending on state subsidies to becoming a large grain producer.

While sufficiently feeding its residents, the county has also delivered about three billion kilograms of grain to the state over the past decade.

Fengyang is a typical example of rural China, in which grain output rose from 304.75 billion kg in 1978 to 420 billion kg this year and cotton output was up from 4.16 to more than 70 billion kg.

According to Chinese Premier Li Peng, the contract production responsibility system is a key policy that reassures the country's 800 million farmers, and needs to be further carried out and improved.

Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, said that the core to improving rural reform is to establish a package of socialized service system programs for farm production.

Wang Changtai, party secretary of the Fengyang County committee, attributed the good result in agriculture to the socialized service which timely offered irrigation facilities to help farmers to fight the drought.

He said, the county's service companies offered farmers improved seeds, farm machinery, veterinary surgeons, techniques to protect plants from disease, and kill insects. They also help train people and build irrigation facilities, in addition to processing, storing and transporting farm products.

Chinese agro-scientists agreed that the on-going contract responsibility system suits the present development of rural productivity and is a better way of organizing farmers to manage rural production.

However, such a system should be further improved along with the development of rural productivity so as to help farmers tackle the problems that they can not solve individually.

Qin Xingyuan, deputy magistrate of Wuxian County in Jiangsu Province, said that the establishment of socialized service can help arouse farmers' enthusiasm in farming.

One of China's rural areas with a better economic foundation, Wuxian, began to utilize the contract production responsibility system in 1983. The area created service stations to help farmers irrigate and plough fields with machines, and protect plants when farmers complained of difficulties in doing such work individually.

The county formed a rural social service network, which is mainly funded by collective economic organizations, in 1986.

According to Chen Jinliao, director of the Agricultural Bureau of Suzhou City in Jiangsu Province, although the city's farmland produced 15.6 percent less grain over the past seven years, its single unit output of grain has gone up by 16.4 percent as a result of social service. In essence, social service has alleviated the intensity of the farmers' labor and freed them from the land.

Shi Qiaogen, a farmer in Weinan Village of Wuxian County, harvested 36,000 kilograms of grain from his 2.5 hectares of contracted farmland this year, earning a sum of 10,000 yuan.

The 46-year-old weather-beaten man said with feeling, "I don't think I could manage so much farmland without social service."

According to Zhang Daogen, head of the village, farmland is managed by the farmers while the major field work is done by machinery which belongs to the collective and is funded by rural industrial enterprises.

A sample survey showed that 70 percent of the farmers are satisfied with the socialized service, while the rest said there is still a lot of room for improvement.

While working out detailed rules and regulations on further implementing the contract responsibility system, the Chinese Communist Party Central Committee and the State Council have issued a circular calling on localities to stabilize and improve the contract production responsibility system while forming a rural socialized service system.

Jiang Chunyun Meets Construction Corps

SK2012141990 Jinan DAZHONG RIBAO in Chinese
9 Nov 90 p 1

[Text] An observation group visiting Shandong from the Xinjiang Production and Construction Corps led by its Commander Liu Shuangquan, Deputy Commander Luo Quanyuan, and Adviser Wang Shouchen began its activities on 30 October in Dezhou, Weifang, Yantai, Weihai, and Zibo, and arrived in Jinan on 8 November. Jiang Chunyun, secretary of the provincial party committee and provincial governor; Lu Maozeng, vice chairman of

the provincial committee of the Chinese People's Political Consultative Conference and secretary of its leading party group; and Li Chunting and Wang Lequan, provincial vice governors, cordially met with the guests from the border area of the motherland at the Nanjiao Guesthouse, and extended a warm welcome to leaders of the corps for personally leading the group to our province to pass on their valuable experiences.

In the more than three decades since the Xinjiang Production and Construction Corps was established, it has faithfully carried out the tasks as a production, work, and fighting team; opened up wasteland; defended the frontier; waged arduous struggles; and has achieved great development in production, construction, and other social undertakings. Our province has had close ties with the Xinjiang Production and Construction Corps. In the past, thousands upon thousands of Shandong people and youths joined the ranks to defend and develop the frontier, and became honorable members of the corps. In 1938, the provincial party committee and government sent a special team led by Comrade Lu Maozeng to Xinjiang to visit these comrades.

The major reason for the current visit of the corps leaders is to observe our province's endeavor to develop agriculture through science and technology, water conservancy construction, processing of farm products, township enterprises, and economic cooperation with the corps. During the 8 November meeting, leading persons of our province expressed great respect for all the officers and men of the corps for their contributions to defending and developing the frontier, and sincerely hoped that our province and the corps will further strengthen their exchanges and cooperation, make up each other's deficiencies, and advance hand in hand. Leaders of the corps said repeatedly that they would continue to strengthen exchanges with our province in the future, and explore a new way for both to help each other to their own advantage, and develop simultaneously.

The observation group from the Xinjiang Production and Construction Corps will hear briefings from Provincial Vice Governor Wang Lequan and pertinent departments on 9 November. It will leave Shandong after its observation activities in Jinan City.

Shandong Province Tax Receipts Increase

SK2112073990 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 20 Dec 90

[Summary] The province's local industrial and commercial taxes have exceeded 10 billion yuan as of now, showing an increase of nearly 10 percent over the corresponding period last year.

Shanghai Census Unveils Graying Population

OW2112105090 Beijing XINHUA in English
1023 GMT 21 Dec 90

[Text] Shanghai, December 21 (XINHUA)—About 9.24 percent of the 13.34 million people who reside in Shanghai are over 65 years old, as compared with the 7.43 percent of the total 11.85 million residents in 1982, a municipal official said today.

The figure makes the largest industrial city in China the first provincial region in the country to face such a problem.

A sample survey, which is based on the statistics of the fourth census in Shanghai, shows that since the third national census in 1982, the average annual growth rate of people aged over 65 is 2.76 percent, while the total population has increased at an average of 1.48 percent annually.

The sample survey also shows that the average per capita age of the total population is 32.91 years old, as compared with that of 29.37 in 1982.

A demographer predicted that a serious problem will confront Shanghai by 2020 as the city's baby boomers born during 1950s and 1960s grow old.

Shanghai Airport Sets Renovation Project

OW2112080890 Beijing XINHUA in English
0745 GMT 21 Dec 90

[Text] Shanghai, December 21 (XINHUA)—The Hongqiao International Airport in China's largest industrial city, Shanghai, will take on a garden-like atmosphere after completion of a large-scale renovation project.

The new passenger terminal, which covers 2,975 square meters, will be completed and put into use in September next year. Extension of the airport's 3,200-meter runway is scheduled for completion at the end of this year.

The renovation project will cost over 160 million yuan.

An airport official said that the airport will take on the appearance of a first-rate garden after completion of the complete renovation project, which includes the construction of cultural facilities.

The 80 year-old Hongqiao International Airport, which is the aviation center for east China, has opened both international and domestic air routes to 54 cities. The airport handles an average of 100 flights, daily, and is expected to provide services for over 3.5 million passengers this year.

Central-South Region

Tax-Free Shenzhen Still Under Study

HK1812014990 Hong Kong HONGKONG STANDARD
(BUSINESS STANDARD) in English 18 Dec 90 p 1

[By Cheung Lai-kuen]

[Text] The vice-mayor of Shenzhen municipality said yesterday the issue of opening a tariff-free area within the Shenzhen special economic zone [SEZ] was a complicated one that must be weighed and discussed with central authorities.

Zhu Yuening said Shenzhen had no timetable for setting up the proposed free trade area. The issue must be settled and discussed with Beijing authorities who will have the final say on it.

Mr Zhu, in Hong Kong for the five-day Shenzhen Industrial Products Export Fair opening today, said the idea of setting up a tariff-free area in the special economic zone was a "big issue". Many problems must first be solved before it was taken up, he said.

He said these problems were far too many and complicated to discuss, but they included things such as the type of currency to be circulated in the proposed area.

Plans and proposals for the tariff-free area were currently being studied, he added.

A few years ago, Chinese economists suggested issuing a special "SEZ currency" in the four special economic zones to curb currency speculation there and in China's hinterlands.

The idea was taken up but later shelved because of "technical problems", including the need for some financial backing and the possibility it would entail some dipping into state currency reserves. There were also suggestions the idea, if implemented, would clash with economic policy.

Zhou Li, deputy director of the Shenzhen Municipality Planning Bureau, said almost 80 percent of the money circulating in Shenzhen was in foreign currency. "This situation has to be solved," he added.

Mr Zhou, a member of the Shenzhen delegation, said the idea of issuing "SEZ currency" was still under study because it had a bearing on the state's financial reserves and China's financial system.

He said Shenzhen's economy and its business relationship with Hong Kong would be boosted if the tariff-free area was approved by Beijing.

He said Shenzhen's infrastructures were still inadequate to cope with the municipality's economic development, although it had invested huge sums and continued to pour capital for more and better facilities.

Of Shenzhen's 4 billion yuan (HK\$6 billion) capital expenditure this year, more than half had been invested in infrastructure projects.

Mr Zhou said the municipality would increase its capital investment next year to 5 billion yuan, of which about 3 billion yuan would be spent for infrastructures.

The Shenzhen Industrial Products Export Fair is the municipality's largest exhibition in the territory so far.

Mr Zhu said the fair would showcase Shenzhen's industrial development in the past decade that it had been open as a special economic zone.

He said the total value of Shenzhen-made products in the first 10 months of this year was about 15.8 billion yuan (about HK\$23.7 billion). This excluded exports processed or assembled in the zone.

Mr Zhou said almost 63 percent of Shenzhen's mostly electronics and light industrial products were for export.

Hainan Rules on Foreign Enterprise Management

OW2012194990 Beijing XINHUA in English
1410 GMT 20 Dec 90

[Text] Haikou, December 20 (XINHUA)—Foreign-funded enterprises in southeast China's Hainan Province enjoy complete freedom over employment and personnel affairs, according to new rules issued here today.

The 40-article "Temporary Job Management Rules for Foreign-Funded Enterprises" introduces specific regulations for the purpose of improving these enterprises' management as well as protecting the rights and interests of both investors and employees.

The rules provide that these enterprises have the freedom to hire, fire and reward.

However, the relevant provincial authorities may supervise the way the new rules are being carried out.

Also according to the rules, any previous contract of employment contradicting these stipulations must be revised and reported to the authorities.

Henan Province Accelerates Economic Development

OW1912113490 Beijing XINHUA in English
1101 GMT 19 Dec 90

[Text] Beijing, December 19 (XINHUA)—Henan Province in central China recently called on its people to concentrate their efforts to develop province's economy, according to today's PEOPLE'S DAILY.

Since the beginning of this year, the Henan provincial committee of the Chinese Communist Party and government have worked out a series of measures and policies to step up the readjustment of the provincial economic structure.

Provincial party Secretary Hou Zongbin and acting Governor Li Changchun have ordered officials from different administrative departments to conduct on-the-spot work in Zhengzhou, the capital of Henan, and Kaifeng City in order to help the cities overcome the problems associated with economic development.

The new measures include the readjustment of the agricultural structure, the establishment of a social service system, the development of rural enterprises and stepping up reform and opening to the outside world.

Hou and Li have also sent missions to study and learn from the experiences of other successful provinces, municipalities and coastal cities.

Northeast Region

Heilongjiang Planning Conference Concludes

SK2112034090 Harbin Heilongjiang Provincial
in Mandarin 1000 GMT 20 Dec 90

[Text] The five-day provincial planning conference concluded in Harbin today. Provincial Governor Shao Qihui spoke at today's closing session, pointing out that we should use the dialectical materialist way of thinking to analyze and appraise our province's current situation, and should not judge the situation based on the continuous negative increase in industrial production, nor separate industry from agriculture in appraising our province's current economic development.

Provincial Governor Shao Qihui said: Our province reaped an unprecedented bumper harvest in agriculture this year. The province's volume of export showed a 9-percent increase over last year. Commodities supplies have been ample in the market, and the prices stable. More people have been employed. All this shows that the major aspects of the province's situation are upward and progressive.

Provincial Governor Shao Qihui emphasized: In the new year when we comprehensively implement the plan for developing the province through science and technology to facilitate the adjustment of the industrial composition and product mix of the province, we should firmly embrace the idea that quality is the life of Heilongjiang, conscientiously and comprehensively carry out quality control, and establish the quality demands that reach the levels of the state and the world, and by relying on scientific management, launch the activities of the quality, variety, and efficiency year in a down-to-earth manner. We also should establish and improve the responsibility system, regard the aforementioned work as an important criterion for evaluating cadres and as a goal of the provincial government's work to be attained under the responsibility system.

Speaking on the issue that governments at various levels should have a good command of the integration of the planned economy with market regulation, and should

pool their efforts to carry out government work, Provincial Governor Shao Qihui urged special efforts to make the following work successful: First, we should take the overall situation into account, and enhance the concept of judging things as a whole. Second, we should successfully implement the 50 policies, strengthen marketing, and do a good job in coordinating production with marketing. Third, we should take advantage of the bumper harvest in agriculture to comprehensively invigorate the market by opening up the rural market first. Fourth, we should summarize experiences and lessons, and strengthen management of various industries. Fifth, we should correctly handle the relationship between the macroeconomy and the microeconomy, and adjust and improve the methods and means for the government to intervene in the economy whenever necessary so as to promote sustained, stable and coordinated development in the economy of our province.

At today's session, the provincial government commended 63 advanced collectives and 140 advanced persons who had shown outstanding performance in carrying out the 383 projects this year.

Heilongjiang Spiritual Civilization Conference

SK2112055890 Harbin Heilongjiang Provincial
in Mandarin 1000 GMT 20 Dec 90

[Text] At the provincial conference on building spiritual civilization, which concluded today, Provincial Vice Governor Dai Moan urged organizations at various levels to give prominence to ideological and moral improvement while focusing on the central task of economic construction, and open up a new situation in the mass activities to build spiritual civilization.

Since 1984, focusing on the party's central work in various periods, our province has conducted multiform ideological and moral education, activities to build civilized units, and activities for the army, police, and the people to join efforts in promoting spiritual civilization. A great number of civilized units and advanced persons have emerged. The activities to build civilized cities, counties, towns, and villages also have yielded fruitful results. Meanwhile, there were also some problems. Some localities talked about spiritual civilization as if it were the most important task, listed it as a secondary task in their practical work to be carried out, and neglected it when they were tied up in other work. Others lacked short-, medium-, and long-term arrangements for building spiritual civilization.

Dai Moan pointed out: Economic construction is currently the focus of the various party and state activities. All our future activities to build spiritual civilization should include economic construction as an important content. Units with poor economic efficiency should not become advanced units of any category or at any level in building spiritual civilization. At present, urban and rural areas throughout the province are holding large-scale discussions on promoting stable economic development. Mass activities to build spiritual civilization

should be coordinated with the discussions, and various measures, such as (education through study and recreational activities), should be adopted to help cadres and ordinary people to enhance the concept of the socialist commodity, and improve their quality so as to provide effective ideological guarantee, spiritual force, and intellectual support for economic construction.

Dai Moan said: In future mass activities to build spiritual civilization, we should consider ideological and moral improvement as a major task. The province should continue activities to achieve civility in three aspects, and to advocate four practices and oppose four practices; activities to learn from Lei Feng and establish new practices; and activities to learn from Daqing and make new contributions; as well as education in professional ethics. We should particularly regard education in professional ethics as the focus of our work for some time to come. Following the principle of doing practical work that is beneficial to the masses, all localities and departments should help solve some problems requiring solutions so that the healthy development of activities to build spiritual civilization can be guaranteed.

Peasants Win Lawsuit Against Town Government

SK2012093890 Harbin Heilongjiang Provincial
in Mandarin 1000 GMT 19 Dec 90

[Text] The Daoli District People's Court in Harbin today made a first-time judgment on our province's first large-scale lawsuit lodged by peasants as a group. According to the judgment, the Taiping Town Government of the Daoli District in Harbin and the seed company of the Xiangfang experimental farm of the Dongbei Agricultural Institute should pay 134,916.38 yuan for the economic losses of 709 peasant households.

Early this year, on the recommendation of others, the seed station of the Taiping Town Government purchased more than 26,000 kg of corn seeds of the 4-Dan-8 variety from the seed company of the Xiangfang experimental farm of the Dongbei Agricultural Institute. The seeds were old ones from 1988. The seed station sold the seeds retail to peasants as seeds with 90 a percent sprouting rate. However, the actual sprouting rate was only 65 percent, thus the interests of peasants was seriously damaged.

After more than two months of efforts to hear the case, the Daoli District People's Court held that the Taiping Town Government and the seed company of the experimental farm of the Dongbei Agricultural Institute, by raising the sprouting rate without authorization, did not enforce relevant state laws and regulations on businesses, and therefore they should be held liable for compensation. It also made the judgment that the Taiping Town Government pay 74,204.01 yuan and the seed company of the Xiangfang experimental farm of the Dongbei Agricultural Institute pay 60,712.37 yuan to peasants for their economic losses, thus safeguarding the legal rights and interests of the 709 peasant households.

Wang Zhongyu Addresses Jilin Government Meeting

SK2112041990 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 20 Dec 90

[Text] On the morning of 19 December, the provincial government held a plenary meeting to relay and implement the guidelines of the sixth plenary session of the fifth Jilin Provincial CPC Committee.

The participants decided to exert efforts to basically improve our province's industrial and economic situation. The meeting was presided over by Governor Wang Zhongyu. Vice Governors Wu Yixia, and Liu Xilin relayed the guidelines of the sixth plenary session of the fifth provincial party committee. Wang Yunkun and Zhang Yueqi and members of the provincial government attended the meeting.

In his speech, Comrade Wang Zhongyu said: Under the leadership of the party Central Committee, the State Council and the provincial party committee, our province has conscientiously implemented the guidelines of the fifth and sixth plenary sessions of the 13th party Central Committee, further improved the economic environment, rectified economic order and deepened reform since the beginning of this year. Under extremely difficult conditions in many aspects, and through the common efforts of the broad masses of cadres and the people, the province has witnessed political, economic, and social stability, and the national economy is developing toward a good trend. To put it briefly, we have achieved agricultural, industrial, and financial growth; raised economic quality and foreign export trade; improved the economic environment; and developed social undertakings. The comprehensive agricultural growth has created good conditions for next year's economic development. The ten major tasks for the water conservancy year which were formulated at the beginning of this year all have been basically fulfilled. The total grain output reached 18.7 billion kg, an increase of more than 5 billion kg over last year, a new all-time record. We have reaped a fairly good harvest of sugar- and oil-bearing crops. The output value of township enterprises increased more than 7 percent. We witnessed gratifying results in the activity of making the vast land of Jilin green in ten years and fulfilled the target of having no major forest fires in ten years. We have seen a gradual upturn in industrial production and the emergence of a good development trend. It is expected that the annual financial revenue will strike a balance with a small increase.

While touching on the basic thought for next year's economic work, Wang Zhongyu noted: Next year is the first year for implementing the Eighth Five-Year Plan and a crucial year for improvement, rectification, and deepening of reform. In line with the general thought put forward by the sixth plenary session of the fifth provincial party committee, we should persist in next year's economic work by focusing the work on economic results and by giving emphasis to product quality and variety, and should grasp technological progress, strengthen

management, carry out structural readjustment, invigorate the circulation of goods, develop and open up five aspects, promote reforms in seven aspects, such as reforms for the contract system, the social insurance program, the housing system and market system, agricultural socialized service, the grain circulation system, and the mechanism of combining science and technology with production. We should maintain an appropriate development in industrial and agricultural production, raise product competitiveness, grasp five key links, and raise the quality of economic growth. First, we should promote technical progress and raise the whole economic quality. Second, we should firmly grasp enterprise management and tap internal potential. Third, we should achieve fairly large breakthroughs in structural readjustment. Fourth, we should further invigorate and develop the market, and invigorate the circulation of goods. Fifth, we should actively develop new products and do a good job in opening up in an effort to raise the export-oriented economic function. In connection with the objective needs of improvement, rectification and economic development, we should further expand reforms. At present, we should aim at the obstacles caused by some improper systems and mechanisms that restricted economic development, selectively and specifically promote the pace of reforms, and promote the perfection and development of the socialist system.

At the end of his speech, Wang Zhongyu stressed: Strengthening the ideological construction, work style and administrative honesty of organs is not only a requirement in the cause of implementing the guidelines of the sixth plenary session of the party Central Committee and is also a necessity for overcoming the temporary economic difficulties and striving to basically improve the economic situation. By implementing the spirit of the sixth plenary session of the fifth provincial party committee, we should sum up this year's work, discover the existing major problems of organs, formulate feasible measures, and enable the building of the provincial government organs to witness a new scene and the mental outlook of office cadres to look brand-new. At present, we should grasp work in three aspects particularly well:

First, we should strengthen theoretical study, systematically and deeply study Marxism-Leninism-Mao Zedong Thought, and raise the Marxist and Leninist levels of the broad masses of cadres, particularly leading cadres.

Second, we should successfully consolidate organs, and further improve their work style.

Third, we should emphasize halting unhealthy trends in various trades, and further strengthen administrative honesty.

Attending the meeting as observers were responsible persons of various committees, offices, departments and bureaus of the provincial government, and organs directly under the provincial government. Comrades of

the provincial People's Congress, the provincial Committee of the Chinese People's Political Consultative Conference, the provincial Trade Union, the provincial committee of the Communist Youth League, the provincial Women's Federation and other departments concerned also were invited to attend the meeting.

Jilin Discipline Inspection Commission Plenum Held

*SK1912005490 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 16 Dec 90*

[Text] The sixth plenary session of the provincial discipline inspection commission, which ended on 14 December, called on the province's discipline inspection commissions at all levels to continuously submit and adapt themselves to the guiding ideology of the central task of economic construction, conscientiously implement the guidelines of the instructions issued recently by the party Central Committee and the Central Discipline Inspection Commission with regard to strengthening the construction of party style and administrative honesty, perform the various functions of discipline inspection organs in a comprehensive manner, vigorously improve the level of discipline inspection work, and further promote the construction of party style and administrative honesty, so as to ensure the sound development of reform and economic construction.

A total of 23 members of the provincial discipline inspection commission attended the session. Attending the session as non-voting delegates were responsible persons of some city and prefectural party committees, responsible persons of discipline inspection work committees for organs directly under the provincial party committee and the provincial government, and responsible persons of the organs under the provincial discipline inspection commission in various cities.

(Zhao Yongji), deputy secretary of the provincial discipline inspection commission, presided over the session. Li Deming, secretary of the provincial discipline inspection commission, made a speech at the session.

Before the convocation of the sixth plenary session of the provincial discipline inspection commission, the commission's members had attended as nonvoting delegates the sixth plenary session of the fifth provincial party committee, at which they had listened to and discussed the work report made by Comrade He Zhukang on behalf of the provincial party committee, studied and discussed the decision of the provincial party committee with regard to strengthening the party's ideological construction, conscientiously analyzed the current political and economic situation of the province, and offered many good opinions and suggestions for the province's work in the next year. These participants unanimously considered the provincial party committee's summary of this year's work to be realistic and the arrangements for the next year's work to be feasible, and maintained that there was no mistaking what the decision was aimed at.

Thus, they completely agreed to the summary, arrangements and decision, and pledged to conscientiously implement them in line with the reality of the discipline inspection work.

The session maintained: Since the convocation of the fourth and the fifth plenary sessions of the provincial discipline inspection commission, discipline inspection commissions at all levels in the province have vigorously strengthened the construction of party style and administrative honesty, and have solved instances of corruption and unhealthy trends with which the masses have been much dissatisfied, in close combination with the basic matter of maintaining close ties between the party and the masses, by proceeding from maintaining the stability of the overall situation, and by upholding the principle of strictly administering the party, thus making new headway in the discipline inspection work, and playing a positive role in promoting the province's political stability and economic development.

The session stressed: We should concentrate our efforts on continuously strengthening the construction of party style, party discipline, and administrative honesty; adopt effective measures to strengthen the investigation and handling of major and appalling cases; actually strengthen the self-improvement of administrative honesty of leading organs and leading cadres; and in particular, overcome such problems existing at leading bodies as weakness, listlessness, lax discipline, and departures from principle. We should correct unhealthy trends prevailing among various trades and professions, focusing on industrial and commercial, tax, and public security departments; penetratingly straighten out unhealthy trends in rural areas; and strive to solve various problems in two years. We should establish and improve enterprises' mechanisms of internal restriction and external supervision, and conscientiously solve such conspicuous problems at enterprises as inadequate base figures of contracts, improper arrangement of units to which enterprises belong, unfair distribution, short-sighted behaviors, personnel appointment by favoritism, and abuse of powers for personal gain.

The session demanded: Party committees at all levels should strengthen leadership over discipline inspection work, support the work of discipline inspection organs, and give play to the role of discipline inspection organs. Discipline inspection organs at all levels should fully understand the grim situation and arduous tasks they face; actually strengthen their self-construction; improve their work style; and vigorously advocate, persist in, and carry forward the spirit of being selfless and fearless, upholding principles, being impartial and honest, being ready to dedicate oneself, seeking truth from facts, contacting the masses, studying hard, and being keen on making progress, so as to constantly improve the level of the discipline inspection work.

Jilin's 7th Plan Educational Achievements

*SK2112050990 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 20 Dec 90*

[Summary] During the Seventh Five-Year Plan period Jilin Province has raised funds through various channels to improve teaching conditions and has created a situation of having the whole party, the whole society, and all people care for education. The province has raised 1.2 billion yuan through various channels to improve teaching conditions, an increase of more than 100 percent over the Sixth Five-Year Plan period. During this period, the province has built and renovated school buildings covering a total of 3,434 million square meters. Apart from a small number of primary schools, most of the schools across the province have ended the situation of running classes in double shifts. Plans to support school facilities also have been developed. The whole province has built 9,846 laboratories, health units, and study rooms, and has fulfilled 74 percent of the plan for building laboratories and buying teaching instruments and equipment for middle schools.

Jilin Reports Increase in Economic Cases

*SK1812054390 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 17 Dec 90*

[Text] Since the beginning of this year, procuratorial organs at various levels throughout the province have conscientiously implemented the party Central Committee's policies of punishing corruption and carrying out economic improvement and rectification; have waged in-depth struggles to deal blows at economic crime, focusing on embezzlement and bribery; and have scored notable achievements in these aspects.

The procuratorial organs' efforts to investigate and handle economic crime have the following characteristics this year: First, the number of the cases accepted and put on file is large. By the end of November, 4,230 economic cases had been accepted, and 2,492 had been put on file, showing an increase of nearly four percent over the corresponding period of last year. Second, the number of major and serious cases investigated and handled is large. A total of 608 cases each involving 10,000 yuan or more, four cases involving responsible cadres at the department and bureau level, and 47 cases involving cadres at the county and section level were investigated and handled. Third, the number of embezzlement and bribery cases is large. A total of 1,330 such cases were put on file for investigation, accounting for 53.5 percent of the total cases put on file. Fourth, the number of tax evasion cases is large. Some 640 such cases were put on file for investigations, showing an increase of 47.7 percent over the corresponding period of last year. Fifth, the amount of economic losses recovered is large. The province recovered more than 47.5 million yuan of economic losses, an increase of more than 100 percent over the corresponding period of last year.

Jilin's Large Automobile Corruption Case Cracked

*SK1812013290 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 15 Dec 90*

[Text] Recently, the Kuancheng District People's Procuratorate in Changchun City cracked an exceptionally serious case of corruption, the most serious one of this kind in the province since the founding of the PRC. During his tenure of office, from the beginning to the end of 1988, Li Qiang, former responsible person of the Beijing office of the (Hualing) Company under Changchun University, took advantage of his position to get blank dispatch lists from a certain motor car repair and assembly plant and three other units in Beijing by using the opportunity to sell Jilin's minicars on commission, and then presumptuously filled out 39 false dispatch lists, fabricating problems with the cars and then collecting storage and transportation charges and repair fees, and providing spare parts with the purpose of extorting money from the (Hualing) Company. From this, he retained and embezzled a total of 1.895 million yuan of the profits gained from selling motor cars and from car payment.

In investigating this case, the Kuancheng District People's Procuratorate in Changchun City has retrieved a total of 1.255 million yuan of economic losses for the state. For the time being, the investigation of this case has already been completed, and this case has been submitted to the Changchun City People's Procuratorate and the city intermediate people's court for public prosecution.

Changchun Airport Expansion Project Passes Test

*SK2112074290 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 20 Dec 90*

[Summary] Changchun's (Dafangshen) Airport expansion project, which indicates the new development of our province's aviation industry, formally passed the state acceptance test today. Before 1985, our province's (Dafangshen) Airport at Changchun had only one air route, with one kind of aircraft and one scheduled flight. Under the concern of the State Council and the leadership of the Civil Aviation Administration of China, the State Communications Investment Corporation, and the provincial and Changchun City governments, and through the strenuous efforts of all builders and militiamen, the expanded Changchun Airport presently has 13 air routes linking it with 15 cities, such as Beijing, Guangzhou, and Shanghai. It can provide take-offs and landings for various kinds of large and medium-sized passenger planes. The passenger transport volume has increased 6.5 times; the freight and mail delivery volume, 7 times; and the income from air transport, more than 20 times over 1984, before the expansion of the airport.

Liaoning's 7th Plan Opening-Up Achievements

*SK2012004890 Shenyang Liaoning Provincial
Service in Mandarin 2300 GMT 18 Dec 90*

[Text] During the Seventh Five-Year Plan period, Liaoning Province achieved much in opening itself to the outside world. Over the past five years, the province comprehensively opened nine cities and 15 counties on the Liaodong peninsula to the outside world, set up the Shenyang Tiexi industrial technological transformation zone and the Yingkou Bayuquan export products processing area, and made a new breakthrough in developing the export-oriented economy.

Over the past five years, our province has made new achievements in developing import-and-export trade. The value of commodities imported into the province reached \$2.87 billion, 3.1 times over the figure of the Sixth Five-Year Plan period. The value of commodities exported by the province, excluding petroleum products, reached more than \$9 billion, an increase of 90 percent over the figure of the Sixth Five-Year Plan period. The structure of export commodities has been improved ceaselessly and the focus of the export commodity structure has been changed from primary to finished products.

During the Seventh Five-Year Plan period, our province has rapidly accelerated the pace of using foreign capital. The province signed agreements on using \$3.55 billion in foreign capital, nine times over the figure of the Sixth Five-Year Plan period. Along with the further change in the investment environment, increasingly more foreign businessmen have been attracted to make investments and run enterprises in our province. In the past five years, the province signed contracts on establishing 874 enterprises involving foreign capital and the contracts involved \$860 million foreign funds, increasing by 7.5 times and 3.5 times, respectively. The province has developed foreign-funded enterprises from none to 57. The contracts on building foreign-funded enterprises involve \$200 million. At the same time as positively bringing in advanced foreign technology and equipment, our province also has displayed the advantages of having a solid industrial foundation and more labor forces, thus making new progress in sending laborers to the outside world. The province signed more than 430 contracts to undertake construction projects in, and send laborers to foreign countries, involving \$340 million, increasing by 3.1 times and 1.8 times, respectively, over the Sixth Five-Year Plan period. According to the contracts, the province sent 14,000 technicians and laborers, showing an increase of 4.8 times over the Sixth Five-Year Plan period.

Our province also has made rapid development in international tourism. Statistics compiled by the end of last September show that during the Seventh Five-Year Plan period, our province received 462,000 foreign tourists, and earned \$210 million from international tourism, an increase of 3.8 times over the Sixth Five-Year Plan period.

Dalian Economic, Social Development Plan Welcomed

*OW1512022690 Beijing XINHUA in English
0206 GMT 15 Dec 90*

[Text] Dalian, December 15 (XINHUA)—Northeast China's seaport Dalian is designed to be built into an open, attractive, modern international city— "a northern Hong Kong," according to city officials.

The city's new economic and social development plan which covers years in the next century was initiated earlier this year in response to a request of the State Council, the highest governing body in China.

Overseas economic circles such as in Japan, the United States, Hong Kong and Macao give positive response to the plan.

Overseas businesses have shown increasing interest in the city. Statistics show that, thus far this year, the businessmen who have been here for trade have doubled those for the same period of last year. The city has witnessed an increase in the number of resident representative bodies of foreign corporations and banks from 84 of last year to 196. Moreover, foreign-funded enterprises approved this year have reached 159, an all-time high.

French Industry Minister To Visit Next Spring

OW2012032490 Taipei CNA in English 1511 GMT
19 Dec 90

[Text] Taipei, Dec. 19 (CNA)—Communications Minister Clement C.P. Chang said Wednesday that he will discuss communications cooperation with French Industry Minister Roger Fauroux when he visits Taipei next spring.

Fauroux will be the highest ranking French official to visit the Republic of China since the two countries broke diplomatic relations in 1964.

Chang said trade relations between the two countries have grown rapidly, and France has been participating in an increasing number of transportation construction projects in the Republic of China.

Chang visited France and Germany last August to study their high-speed train systems.

France has won 70 percent of international bids for consulting service in the Republic of China's high-speed train system, with Germany and Japan sharing 15 percent each.

Representative to Italy Assumes Post 22 Dec

OW2012041390 Taipei CNA in English 1535 GMT
19 Dec 90

[Text] Taipei, Dec. 19 (CNA)—Edward Wu, the newly appointed Republic of China [ROC] representative in Italy, is scheduled to fly to Rome Dec. 22 to assume his post.

Wu will become the first ROC representative to Italy since it shifted diplomatic recognition from Taipei to Peking Nov. 6, 1970.

An Italian official will come to Taipei soon to issue entry visas to ROC citizens intending to visit that southern European country, a Ministry of Foreign Affairs official said.

The move is an indication that the Italian Government, which has managed to distance itself from contacts with Taipei since 1970, is attaching greater importance to its trade ties with the Republic of China, the official said.

Italy opened a civil trade promotion office in Taipei in March 1989.

Taiwan, Panama Extend Fishing Agreement

OW2012220490 Taipei CNA in English 1420 GMT
20 Dec 90

[Text] Taipei, Dec. 20 (CNA)—The Executive Yuan Thursday approved a two-year extension, retroactive to Aug. 26, of an existing fishery cooperation agreement between the Republic of China and Panama.

The agreement was first signed in 1973 and has since been extended eight times.

Outgoing Representative to Argentina Feted

OW2112103990 Taipei CNA in English 0957 GMT
21 Dec 90

[Text] Buenos Aires, Dec. 20 (CNA)—Dr. Ruben Ledesma, president of the Argentina-Republic of China [ROC] Association of Cultural and Economic Relations and Mrs. Ledesma played host at a dinner party in honor of Francisco Ou, outgoing ROC representative in Argentina, and Lorenzo Wang, ROC representative in Argentina.

More than 30 Argentine dignitaries including former Argentine President Roberto Levingston and several leading entrepreneurs attended the party.

The association, founded in 1980 in Buenos Aires, and composed of political [as received] and entrepreneurs, is aimed at promoting bilateral economic and cultural ties between the two countries.

New Clause Added to Reunification Guidelines

OW2112072790 Taipei Domestic Service
in Mandarin 2300 GMT 19 Dec 90

[From the "Weather and Press Review" program]

[Text] At its meeting on 19 December where the draft guidelines for national reunification were passed, the Research Committee of the National Reunification Committee [NRC] decided to add the following clause to the part on the Principles of National Reunification: In deciding on the timing and mode of China's reunification, the wishes of the people on Taiwan should first be respected. In the part on the reunification process, the principle that both sides of the straits should respect each other's political reality also is mentioned for the first time.

Research committee members generally maintained that the clauses are a bold creation signifying a breakthrough. However, whether these are acceptable to the members of the NRC will depend on the results of the NRC's second meeting this Saturday.

Hong Kong

Zhu Rongji Meets Hong Kong Businessmen

OW2112110090 Shanghai City Service in Mandarin
1000 GMT 19 Dec 90

[Text] Zhu Rongji, mayor of Shanghai Municipality, today met separately with Madame (Deng Lianru), chairman of Hong Kong's Board of Trade Development; members of the Hong Kong's Board of Trade Development delegation; Mr. (Di Bowei), chairman of Hong Kong Stock Exchange and Hang Seng Bank; Mr. (Xu Bojin), chairman of Hong Kong Gold and Silver Traders' Association; and the Hong Kong Gold and Silver Traders' Association delegation.

Mayor Zhu extended his welcome to the Hong Kong friends on their arrival in Shanghai. He briefed the visitors on Shanghai's economic development and construction of major urban infrastructure, like the subway, port, and sewage projects in progress. He also briefed them on the plan to develop and open up Pudong.

Mayor Zhu said: The development and opening up of Pudong has attracted a lot of international attention. To develop and open up Pudong, we must, first, perfect the laws and regulations, and second, undertake to build up the infrastructure. All circles in Hong Kong have shown great interest in the development of Pudong, and many people have come to Shanghai to discuss various kinds of projects. I thank our Hong Kong friends for their efforts to promote Shanghai-Hong Kong cooperation.

Madame (Deng Lianru) expressed her wish to strengthen economic cooperation between Shanghai and Hong Kong.

Among those who were present at the meetings were Huang Ju, vice mayor of Shanghai Municipality; and (Wang Daohan) and (Ni Tuwen), respectively, economic and foreign affairs advisers to the Shanghai Municipal Government.

Hong Kong Bank Move to UK Assailed

HK2112031990 Hong Kong HONGKONG STANDARD
in English 21 Dec 90 pp 1, 3

[By Fan Cheuk-wan]

[Text] The decision by the Hong Kong Bank to move its domicile to Britain has undermined the stability and prosperity of the territory, the Chinese Foreign Ministry said yesterday.

In the first official statement by Beijing in response to the bank's announcement, Foreign Ministry spokesman Li Zhaoxing said the British Government should be responsible for maintaining the stability and prosperity of the territory before 1997.

"We believe that, as an important financial and commercial institution, the Hong Kong and Shanghai Banking

Corporation should see to it that any new measure it takes will help promote rather than undermine the stability and prosperity of Hong Kong," Mr Li said at a weekly press briefing in Beijing.

His statement was understood to be a mild and restrained attack by Beijing against the decision of Hong Kong's largest bank to set up a group holding company in Britain.

"As provided for by the Sino-British Joint Declaration, it is the responsibility of the British Government to safeguard and maintain the social stability and economic prosperity of Hong Kong during the transitional period," Mr Li said.

Diplomatic analysts said the Chinese Government was trying to remind the British Government of its obligation to ensure that the stability and prosperity of Hong Kong was not disrupted during the transitional period.

They said the Chinese statement should be understood as a warning to the British Government that it must prevent similar incidents from occurring during the transition.

The Hong Kong Bank move has been widely viewed as a vote of no-confidence in the political future of Hong Kong after the handover of sovereignty to Beijing in 1997.

In Hong Kong, Zhang Junsheng, deputy director of the local branch of XINHUA News Agency, said the Hong Kong Bank should bear the responsibility for maintaining the stability and prosperity of the territory as it had been enjoying many special privileges.

The bank should have fully considered and evaluated the impact of its move on the stability and prosperity of Hong Kong before it made the final decision, Mr Zhang told THE HONGKONG STANDARD last night.

But he refused to comment on whether the Hong Kong Bank's role as the quasi-central bank of the territory would be changed in the future.

Mr Zhang also declined to say whether the Hong Kong Bank had notified the Chinese Government, through any channels, about the decision to move its domicile to Britain.

Export Recovery Tied to Mainland Expansion

OW2012194690 Beijing XINHUA in English
1411 GMT 20 Dec 90

[Text] Hong Kong, December 20 (XINHUA)—Hong Kong's exports in 1991 are expected to have a mild recovery after an estimated two percent decline this year.

The prediction was made in an article titled "Export Prospects in 1991" in the latest issue of the HANG SENG ECONOMIC MONTHLY.

The article said that against a background of steady expansion in global economic activity and an exchange rate induced improvement in price competitiveness, domestic exports could grow by one percent in real terms next year.

Re-export growth is also expected to accelerate to 20 percent from this year's estimated 15 percent on the back of a continued expansion in China, it added.

The monthly attributed the disappointing performance of Hong Kong's domestic exports this year to a weak economic environment in the industrial countries, which was exacerbated by the Gulf crisis.

It noted that although global economic activities would experience further slowdown in the coming year, the industrial countries as a whole are not expected to fall into a recession.

It cited the latest projection by the organization of economic cooperation and development, which showed that economic growth in its 24 member countries would only come down slightly to two percent in 1991 from this year's 2.75 percent.

Accordingly, it said, with overseas demand maintaining moderate expansion, Hong Kong's domestic export growth, barring any deterioration in the Gulf situation, is unlikely to slide further in the coming months.

The monthly predicted that the U.S. market is not expected to pick up significantly. Its economy is on the verge of a recession, consumer sentiment is further depressed by the uncertainties created by an impending war in the Middle East.

By contrast, it said, the outlook for other non-U.S. markets is more sanguine. Not only are their economies in much better shape, the Hong Kong dollar has also weakened substantially against their currencies in recent months.

Currency depreciation is likely to lead to an improvement in the price competitiveness of Hong Kong products in these overseas markets, which in turn will help improve the outlook for domestic exports, it added.

China's improved import demand from the industrial countries coupled with a possible upturn in its economy will mean that growth in domestic exports and re-exports to this market will accelerate further, the monthly noted.

Hong Kong Law Research Society Established

*OW2012191690 Beijing XINHUA in English
1448 GMT 20 Dec 90*

[Text] Beijing, December 20 (XINHUA)—The Hong Kong Law Research Society was established here today under the China Law Society.

Shao Tianren, a leading jurist who participated in the drafting of the basic law for the future Hong Kong Special Administrative Region, is head of the society.

The group, an academic research organization, aims to promote experts and scholars to study the laws for Hong Kong and promote legal studies exchanges between China's mainland and Hong Kong.

Ji Pengfei, director of the Hong Kong and Macao Affairs Office under the State Council, is honorary president of the group.

Addressing a meeting today at the Great Hall of the People to celebrate the group's establishment, Ji said that Hong Kong, as a special administrative region of the People's Republic of China after 1997, will implement a different legal system from that of the mainland. So, he added, jurists will face many new situations.

He said the study of Hong Kong's legal system should be guided by the principle of "one country, two systems" and be conducted in light of the Hong Kong Basic Law.

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